Daily Report

Latin America

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Cuba

Minister Signs Trade Accord During Visit to Bogota

FL1907223094 Havana Radio Rebelde Network in Spanish 1700 GMT 18 Jul 94

[Text] Raul Taladrid, Cuban vice minister of Foreign Investment and Economic Cooperation, predicted that Colombia would become a pioneer in Cuba's integration with Latin America and the Caribbean. This past weekend, Taladrid concluded a visit to Bogota, where he signed an agreement for the promotion and protection of investments between Cuba and Colombia. Taladrid noted that this agreement, the fourth of its kind that Cuba has signed, and one of the main purposes of his trip, is the first of its kind that Cuba has signed with a Latin American or Caribbean country and that it includes the development of relations with this region as part of its policy.

Taladrid went on to explain that the other purpose of his visit, one which he considers accomplished, was the promotion of investments in Cuba. For this purpose, he held two meetings with businessmen and possible investors in Medellin and Barranquilla, two important economic centers of that country. Taladrid met with officials of the export industry and invited them to promote investment in and export of finished products to Cuba. Many were receptive to this.

Spanish Mayor Delivers Donations

FL1907120494 Havana Radio Rebelde Network in Spanish 2300 GMT 18 Jul 94

[From the "Exclusive" program]

[Text] Spain's solidarity with the Cuban Revolution has been expressed once again in the form of donations to the transportation, public health, education, and community services sectors. Carlos Lage Davila and Jose Ramon Fernandez, representing the Cuban state's top leadership, and Puerto Real Mayor Jose Antonio Barroso attended a ceremony in Havana this afternoon. The buses, ambulances, trucks, vans, and street sweepers donated by the Spanish people will save the strained Cuban economy millions of pesos. The donation is also of great value in terms of health, education, and food staples, together with vehicle engines and garbage containers. The donation of ambulances and school supplies will also benefit hospital patients and students in La Palma and Los Palacios Municipalities, in Pinar del Rio Province. Granma will receive desks, trucks, and other supplies for students and hospital patients. The new fleet of buses earmarked for Havana City and Havana Province will benefit public transportation, with 250 trips transporting more than 40,000 people per day alone. The donation comprises food, medicine, and spare parts, in addition to 27,000 tires and other essential resources needed badly by the Cuban people. Havana Mayor Pedro Chavez thanked the visitors for this humane and fraternal gesture during the solidarity ceremony.

Newly Purchased PRC-Built Ship Arrives From SRV With Rice

FL1907181794 Havana Radio Reloj Network in Spanish 1404 GMT 19 Jul 94

[Text] The (?L-M), which Cuba recently purchased, has docked in Havana City with a cargo of 25,157 tonnes of rice from the SRV. The vessel was built in the shipyards of Zhanjiang, in the PRC. Vessel Captain Alfredo Otero has praised the ship as very seaworthy and solid, proved by its ability to cut through the force of the wind and waves during its journey through the Cape of Good Hope, at the southern tip of Africa. The (?L-M) has a length of 186 meters, a beam of 25 meters, and a dead weight of 29,000 tonnes. The Party official on board said that the crew had donated some money to purchase school supplies. The offloading of the ship's cargo continues around the clock and at a good pace at the number two Sierra Maestra Dock, in Havana City.

Castro Sends Letter to University Professors

FL1907215094 Havana Radio Reloj Network in Spanish 1932 GMT 19 Jul 94

[Text] Commander in Chief Fidel Castro has sent a letter of praise to university professors. Higher Education Minister Fernando Vecino Alegret read Castro's letter during the ministry's annual work meeting. In the letter, Castro stated that the work of these educators has made the functioning of the universities possible despite Cuba's difficult situation.

The letter added that teachers' initiatives in each province have made it possible for every student to have access to education, and that no courses have been eliminated, with scientific discipline and levels being maintained.

Police Deploying Police in Havana to Fight Crime

PA1907161094 Hamburg DPA in Spanish 2031 GMT 16 Jul 94

[Text] Havana, 16 Jul (DPA)—The National Revolutionary Police [PNR] announced today that 584 agents who will be assigned to fight crime in Havana have graduated. Crime in Havana has increased in the past three years.

The new policemen will work in municipal units, patrols, and special brigades from three to five years, according to a note issued by the state-owned NATIONAL INFORMATION AGENCY [AIN].

Since 1992, approximately 2,600 agents have graduated after an 11-month course.

A year ago, the PNR began intensifying its campaign against crime in an attempt to eliminate the black

market and theft and to discourage prostitution, which basically targets foreign tourists.

Cuba has seen its import capability reduced to one-fourth and its oil supply cut in half since 1989, when its preferential trade ties with the defunct Soviet Union and the former Socialist Bloc in East Europe ended. This comprised 85 percent of its foreign trade.

New Electricity Rates in Effect From October

FL1907183294 Havana Radio Progreso Network in Spanish 1100 GMT 19 Jul 94

[From the "First Thing" program]

[Text] The electricity rates that the Council of Ministers executive committee approved on 20 May will take effect in October. Charges for that month will be based on the new rates, which will be higher than the current rates. The committee raised the rate on one kilowatt hour of electricity in an effort to eliminate currency excesses gradually and to provide an incentive to save. Due to a billing irregularity, October's bill will include charges not only for September but also for the last 10 days of August.

National Assembly President Addresses Provincial Meeting

FL1907155494 Havana Radio Rebelde Network in Spanish 1155 GMT 18 Jul 94

[Report by Carlos Sanabria Marrero from Santiago de Cuba; from the "Doing Radio" program]

[Text] Comrade Ricardo Alarcon de Quesada, Cuban Communist Party Politburo member and National Assembly of the People's Government [ANPP] president, has said that the third provincial ANPP assembly in Santiago de Cuba is a genuinely popular expression of the government. He praised statements on long-standing problems, including those on Santiago de Cuba's potable water supply and on territorial efforts to counter the economic crisis and excess liquidity. The ANPP president later referred to various agreements with foreign enterprises that have established joint ventures with our country in some important areas, given the prevailing certainty that we will be able to counter the crisis we currently face:

[Begin Alarcon recording] Foreign businessmen have noted that no Cuban official is willing to accept money to help get documents signed. Cuba has made it clear that it does not want to revert to capitalism. What it does it does for socialism, to save its socialist project. Cuba is not for sale and does not sell its natural resources to the highest bidder. It seeks foreign capital and partners elsewhere because it needs capital, markets, and access to the changing world. [end recording]

Alarcon later said that no businessman would enter a partnership with Cuba if he were not certain that the current crisis will be overcome:

[Begin Alarcon recording] Would a serious businessman or an important capitalist enterprise enter a partnership with Cuba if there were any doubts about overcoming the current crisis? Do capitalists play with their money by investing it in countries that, as our enemies say, face an unsurmountable crisis, are condemned to disappear, etc.? Does this not tell us that there are serious, objective people who assess the Cuban situation impartially and conclude, as we do, that we are implementing the correct strategy and that we will be able to overcome these problems and continue forward? Obviously, this does not mean, as Lazo would say, that we can sit on our hands and wait for the good news to spread. This would be a tremendous mistake: One thing that generates outside trust that we will be able to overcome the crisis is that people in this country work and sacrifice more and more despite everything. This basic concept explains why we have not gone under in the five years since the socialist community disappeared and have, instead, been able to resist up to this point. We can see some progress in doing this the way we are, partial progress, limited progress. Cuban analysts abroad can conclude that the people's determination, spirit, and strategy will ensure that we overcome this crisis. [end recording]

Resources Allocated to Most Productive Provinces

FL1907221094 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Jul 94

[From the "National Radio News"]

[Text] The Provinces of Havana, Ciego de Avila, and Matanzas comprise half of the Ministry of Agriculture's basic potential for the production of tubers, vegetables, and certain types of grain.

A recent study by the ministry determined that Cuba's capacity for the production of fruits—primarily, plantains and potatoes—is dedicated to miscellaneous crops in 32 enterprises. Two thirds of the area controlled by these 32 enterprises have irrigation systems consisting of central pivot fregat machines, microjets, DDA machines, and aspersion systems. This framework allows the ministry [words indistinct] in those enterprises that are resolute in the harvest of tubers and vegetables, thus assigning the limited resources to those that will best utilize them and convert them into benefits for society.

There is also an important group of Basic Cooperative Production Units [UBPC's] in these enterprises. After only one year of existence, positive trends have been observed that will no doubt give way to a greater harvest and to a reduction in costs. According to specialists, evident progress is seen at the UBPC with regard to work force organization, work discipline, resource management, use of animal traction, and in production for self-sufficiency.

Housing Institute Takes Measures To Prevent Fraud

FL1907225894 Havana Radio Progreso Network in Spanish 1100 GMT 19 Jul 94

[From the "First Thing" program]

[Text] The housing institute has confirmed that procedures for house trades are not paralyzed, even though measures have been implemented to avoid fraud. The objective is to fight increasing activities that attempt to sidestep current legislation regarding transferral of ownership between private citizens. For this, Resolution 214 has been implemented. This regulation outlines the procedures to be taken by municipal and provincial housing authorities. Its purpose is to avoid unbalanced trades in which a profit motive may be suspected, or situations that harm citizens living together, according to Article 65 of the General Housing Law. The notary publics will refrain from intervening in those cases, and should refer the parties to the corresponding municipal housing authority for investigation and prior approval.

What we are trying to avoid is an underground market of houses to which the state gave ownership for a price lower than true value, and from which unscrupulous people may profit.

Education Minister Explains Effect of Shortages

94CA0122A Havana JUVENTUD REBELDE in Spanish 29 May 94 pp 6-7

[Interview with Education Minister Luis Ignacio Gomez by Magda Resik and Felix Lopez; place and date not given; first three paragraphs are JUVENTUD REBELDE introduction]

[Text] Marti's maxim that every man has a birthright to an education is taken very seriously here in Cuba. Luis Ignacio Gomez, currently Cuban minister of education, also takes it seriously. He is an engineer by profession, not a teacher, but he still considers himself an educator. Associated with the education system since 1965, he has held a series of responsibilities ranging from classroom teacher to president of the University of Las Villas.

He believes that the best retreat is a school, with the students. Educating is conveying and cultivating the qualities the instructor possesses in one way or another. It would be impossible to do anything else, because sooner or later the students would discover that the impostor is trying to inculcate in them qualities he does not have.

Rights and responsibilities are discussed in this interview, with questions derived from comments we have heard in the street and among neighbors and friends.... And it is natural for everyone to have an opinion, and sometimes to have differences of opinion, on a matter that touches everyone born on the island. Education here is considered public property, something that is always in the public eye, for good or for ill, especially during this time of shortages and economic change.

[JUVENTUD REBELDE] Is it not true that the measures taken to put our finances in order are working against the idea of free education in Cuba?

[Gomez] The populace has to be asked to spend some funds to help the country maintain these subsidized services in some way. Education should continue to be free of charge. But education that is understood as a teaching process with schools, desks, and above all, well-trained teachers who depend on ambition and dedication.

All the rest is secondary. I believe we should carefully study the matter of whether or not there should be a charge for school supplies. Today there is no charge for books and pencils, and teachers provide them as needed. If we charged for them, we would have to give the students a chance to buy them at the beginning of the term, and we would lose control over the rational use of these resources. Besides, how can we charge money for some of these materials that are donated to us? That is not the policy.

To give you an idea, we are now struggling to obtain the dye and fabric for uniforms for students entering primary school and those going into secondary school as day students. They are the uniforms that are sold for Cuban pesos, which are not worth much. Yet we invested $1.2 million to buy them.

Another example is day-care centers, which charge a fee in accordance with the parents' income (between three and 40 pesos) for child care. We collect approximately 40 million pesos in fees, but the country spends 120 million.

If the state does not collect these small amounts, it cannot maintain the economy; it will have no funds...it cannot meet the 1.4 billion pesos in expenses, including tens of millions of dollars spent on food, fuel, electricity, spare parts. .. Education may be free for the people, but it is extremely costly for the country.

[JUVENTUD REBELDE] Where does education come in the state budget?

[Gomez] In Cuban pesos, it is above health. More than 900 million is invested in salaries alone. That is the reason for the cuts in education funding in countries where neoliberal policies are being applied. They lay off teachers, cut salaries, and privatize schools to attain financial well-being and balance.

We are not going to do that here, so it is important for families and citizens to be understanding, to realize that if we are to continue providing free education, we must charge these token fees. There can be no doubt that without socialism, the first thing that would happen in Cuba is the privatization of education, with high fees. Those of us of a certain age remember that public education before the revolution was of very low quality.

[JUVENTUD REBELDE] To what extent do the shortages affect Cuban education?

[Gomez] Fortunately, the special period came when the country already had a powerful education infrastructure, with more than 13,000 schools. And although we would have liked to continue improving conditions and building new schools to eliminate overcrowding in some primary schools, we had enough room for each student.

We had adequate laboratory equipment and extra supplies in warehouses. We had purchased around 20,000 computers and more than 400 video systems, many of which have no spare parts. A network of 530 very costly special schools was built for students who are blind, visually impaired, or deaf, and children with physical-motor problems or language and behavioral disorders. A total of 15 higher pedagogical institutes were in operation, at which 300,000 educators were trained.... The revolution had made such a tremendous investment of human and physical capital that we were in an advantageous position.

Moreover, we had spare books and materials stored in warehouses. Perhaps that is why we have gotten through the last four years without having to make great investments. During the special period we have completed several major projects such as special schools and day-care centers. Not a single school has been closed.

Our government sought to cover our basic needs, because, just to give you an idea, solidarity aid, for which we are very grateful, covered only five percent of our needs. Food is one of the greatest concerns today. The basics are not lacking in day-care centers; we are having more problems with part-time boarding schools...nevertheless, we are getting help from the organizations in each territory, the schools are growing their own gardens, and some of them are even doing without milk....

The other element that is causing us headaches is fuel. Boarding schools are cooking with wood, and solving that problem is an overwhelming burden for school principals, for our comrades there. Electricity, which is a problem for the population, is also a problem in the education process. Supplying water requires pumps, which are expensive.... And in spite of everything, we are striving to improve the quality of our education.

[JUVENTUD REBELDE] How can that be done amid so many problems?

[Gomez] The quality of education does not depend so much on material resources as on the training, creativity, role-modeling, prestige, and authority of the teacher. At the Ministry of Education (MINED) we are promoting what we call the optimization of the educational process. And that is not just a slogan or a political exhortation, because it would be too easy to stand up in front of a school and say that without taking concrete action.

[JUVENTUD REBELDE] Such as?

[Gomez] The best-trained teachers should be in the classroom. Sometimes the best ones have gone to the MINED, to a municipal or provincial administrative position, or to a higher pedagogical institute.... We have decided that all highly qualified teachers who are not indispensable in these jobs must go to the classroom. As a result, more than 7,000 of them will be added to the ranks of teachers in our schools.

Then there are those who have problems with quality and training. We do not plan to get rid of them, but rather to offer them the possibility of requalifying in a year. The collective itself must assume the responsibility of evaluating their potential during that period.

Sometimes in our schools we have had a disproportionate number of teachers in administrative positions or as department chairs, and we also intend to rationalize in that regard. At a basic secondary school you do not need 10 department chairs if you can make do with three heads of departments, one for science, one for humanities, and one for practical courses, for example. We do not want to impose the same structure on every school; each should develop the organizational structure that best suits its needs.

We have also changed the ministry's method for providing assistance to the provinces. We used to make surprise inspections and give the teacher a list of recommendations. Often they were upset because the advice they were given was not in keeping with their possibilities, or it consisted of recipes based on outsiders' opinions. To raise the quality of education, we need to have the teacher's opinion. When the teacher is with the student, he or she can make decisions, and right or wrong, the teacher is the only one who can make those decisions. Hence the need to foster a positive attitude among teachers.

Now the MINED team visits a particular school and demonstrates a method of working and of dealing with insufficiencies. Rather than providing guidance, the team engages in mutual learning, a pedagogical exchange. Many of these schools become reference centers for others in the municipality; they are models of how to develop methodology, how to evaluate and organize teacher training. For this reason, a low percentage of teachers will leave the field due to deficiencies if we adopt this system that allows for constant requalification among ourselves. It even allows for individual differences, because not all of us can improve ourselves in the same way.

Often teachers look upon professional evaluations as a coercive or accusatory process. We reason with them as follows: Like it or not, we are evaluated every day by the students and their parents; that is why the best approach is to turn the evaluation into an opportunity for stimulation and diagnosis.

The grades that can be repeated in primary school are second and fourth, but many teachers assert that this is

not appropriate for children who are being trained. Why is there no repetition of the first grade?

When we gave first grade teachers in our country the chance to repeat children, 51 percent of the children repeated the grade. What are the psycho-pedagogical criteria that justify subjecting a child to this process? This is something that requires deep and careful thought, because they do not necessarily have to learn the keys to writing and reading in the time frame we give them.

In essence, those who defend this position want to have nothing but average students in the classroom and to kick out anyone who falls below average. And we must develop a pedagogical process in primary school in which individuality is taken into consideration. A child who is a slow learner is not abnormal or a clear candidate for repetition. His situation may be affected by the family, a lack of affection, shyness....

The strategy we have devised for primary school is not to divide it rigidly into grades, but in cycles. We are in favor of having the teacher start out with the student in first grade and stay with him until the fourth grade.

In rural or mountain schools, we frequently see one teacher handling all four grades at once and using the most advanced students to teach the others. The question for those who do not understand would be: What is more important, attaining grade objectives, or the child?

[JUVENTUD REBELDE] And is the teacher evaluated on the basis of whether the grade objectives are achieved?

[Gomez] The teacher is the one who evaluates the child on the basis of the grade objectives. But this is a benchmark. We do not expect a child to get to the third grade and still not know how to read or write.

[JUVENTUD REBELDE] Why have the rural high schools been rejected?

[Gomez] When these schools were first conceived, the idea was to establish an organic link between education and work, as Marti advocated. In the beginning, everyone wanted to attend these schools. Later on, as these schools became more common throughout the country, we had to face issues such as the lack of consistency in the quality of directors and teachers and the organizational problems that affected the results to such an extent that the difference was obvious at the university level.

Thus, the myth began to spread that there was no discipline in these schools, and that students were not getting a good education. At present we have 600 of these rural centers in the country, with nearly 200,000 students, and many of them are disproving the myth. Now, not all families understand, and we see a certain amount of "superpaternalism" in them when they have to accept that their children will be working in agriculture, and that they cannot visit them because of transportation problems. Not only in the rural high schools, but also in the urban schools that send children to the countryside once a year, we are seeing a lot of medical certificates and other excuses for not going.

These rural high schools are superior facilities, and they allow students to learn collectively. We even believe that the conditions there are ideal for getting the most out of a quality education during the time that the student lives at the school.

We must defend these centers as pedagogical models, and because of their ties to the food and agriculture programs. Over the last few years, without the contribution of the students, the citrus industry, for example, would not have achieved half the production it has yielded. Our country cannot do without this if we want to maintain free and universal education. And when we send our children to these schools, we must realize that we are not paying anywhere near enough to compensate for the cost of their education.

[JUVENTUD REBELDE] How can we get parents actively involved in education again?

[Gomez] Students usually spend more time in school than at home. We have faculty who are professionally trained to educate. That is why we are able to train parents to contribute to their children's formal education.

We must reevaluate the school boards. Often the parents provide a certain amount of material aid. We are grateful to those who can contribute something to the collective, but not to those who allow their children to flaunt their influence. We must condemn that.

But we want the school boards to upgrade the parent schools by presenting pedagogical issues that will allow them to support the school system. We also plan to demonstrate teaching methodologies that are accessible to them so that they can help us.

So rather than putting the parents on trial, the MINED has set about bringing the parents together so that we can use the pedagogical tools at our disposal to help them extend the school to the home.

Pedagogical training has solved the problem of quantity, but not of quality. Some students are still choosing a teaching career as a last resort after fruitlessly searching the fields they are really interested in. Is there any way to measure a vocation for teaching?

I am rather skeptical about vocation. I will not deny that some people have a clear vocation for teaching, but they are few and far between. I think that it depends on socioeconomic factors.

In the past, Cubans did not go into teaching out of vocation. William Galvez says that in his biography of Frank Pais. Because he was poor, he was forced to take that short course of study so that he could get out and start earning a living right away. Generally, those who went to normal school in Cuba were poor people, which

has shaped the Cuban teaching profession in an unusual way from the social point of view.

Nevertheless, we conduct interviews with those who aspire to become teachers. As a result, we are able to eliminate those who have physical or psychological limitations that would make it difficult for them to become teachers. Above all, they must love children. The rest is acquired through training.

That is why we begin establishing a link between the student and the school from the beginning of their studies. Thus, if they do not like the profession, they should not make it to the fourth year, as used to be the case. Based on our experience with teacher training in Cuba, in the Pedagogical Detachments, we have changed the curriculum to introduce motivation from the first year.

[JUVENTUD REBELDE] Does the low pay that teachers currently receive influence all of this?

[Gomez] When a sensitive person comes into this profession, it is most likely that they will devote themselves to it entirely, for the rest of their lives. We are not unaware that teaching is a hard job today, that teachers are among the workers who are not given additional incentives. It is not one of those professions where people can provide their own incentives.

Teachers have to get up early in the morning and keep to a schedule. In spite of the difficult conditions for transportation and obtaining food, they meet their daily obligations, almost anonymously. The students are invariably waiting for them in the classroom. These teachers are almost irreplaceable, and now they have to devote more time to their profession at a time when people are very jealous of their time, since it takes so much time to solve personal problems.

This will not always be the case. If anyone is pleased with the measures being taken to shore up the country's finances, it is we. Teachers earn a decent wage in Cuba, but it has lost value and we must restore that value.

[JUVENTUD REBELDE] If students have graduated in recent years with degrees in related fields such as music, art, and vocational training, why is there a shortage of such professionals in the schools?

[Gomez] For each of these specialties there is a different explanation. We have a set of requirements for vocational training. If something sounds like work to us, we do not necessarily want to do it, especially when it comes to manual labor. We must provide better orientation in that regard, because this is a great occupation that involves making calculations and designing all kinds of objects and products. We have not always had graduates trained to teach these specialties.

Another example is art and music, which are relatively new as pedagogical specialties. Not only are there few graduates in these fields, but they also receive more attractive job offers outside of teaching.

[JUVENTUD REBELDE] There is apparently an exodus of professionals from education into other economic activities. What is the extent of this phenomenon?

[Gomez] What amazes and impresses me is not that some teachers have left the field of education, but that so many have stayed: 85 percent. Traditionally, we have had a 5-percent turnover, even in the best of times in the country's economy. The reasons may be death, retirement, or illness, and a large number of educators, more than 2,300, move on to other organizations each year.

No matter where you go, you find teachers: in the People's Councils, as party leaders, in youth organizations.... They are the most ubiquitous professionals, the most devoted to the community, social communicators par excellence. That is why every year some go on to other organizations, either by promotion or at their own request.

Last year we had a 7-percent desertion rate, about 2 percent more than normal. The factors involved were personal and family problems, proximity to place of residence, and in many cases, a search for better pay because of the financial problems we are having. Thirty percent of those who have left are at home, however. In 1994 some of them have expressed an interest in returning, and I think that after the measures are adopted, this trend will grow.

We should keep an eye on that phenomenon anyway, because how can we tell our fellow citizens that the schools are open but there are no teachers for their children? It is obvious that anyone who leaves the teaching profession today is dealing a blow to the revolution, because this is one of the areas in which there is no question that we want to defend our aspirations for social justice even more vigorously. Not through pronouncements and propaganda, but through actions.

It is only right that we give teachers more social recognition. One of the MINED's fundamental policies today is attention and stimulation for educators. Little by little, we are establishing homes for teachers and looking for ways to provide recreation for them. We are attentive to their needs so that we can help those who are experiencing the greatest difficulties, and we intend to take action in that regard. I do not want to raise expectations, but we will deal with some of their material needs.

Amid these economic circumstances, in 1994 more housing will be turned over to teachers than in any other year. Nevertheless, we continue to face enormous problems, just like the rest of our people. There is no doubt that teachers are among those who have sacrificed the most, and it is our duty to take care of their needs more and more until we reverse this distinct trend toward leaving the profession.

Decrease in Food Production, Distribution Detailed

94CA0123B Havana TRABAJADORES in Spanish 30 May 94 p 2

[Article by Eloy Concepcion]

[Text] Food and vegetable production declined significantly in 1993; this decline was, of course, reflected in small open-air market places.

Last year the production of a variety of crops only reached 77 percent of the 1992 production.

The cooperative campesino sector did not fare the same as the state sector, and that had an impact on the amounts produced of some crops, in which this sector has a substantial weight.

The cooperative campesino sector, with 20 percent of the nation's arable land, provides 35 percent of the total production.

In tobacco, the campesino sector's participation is 75 percent; coffee, 41 percent; tomatoes, 58 percent; onions, 57 percent; garlic, 90 percent, peppers, 68 percent; carrots, 72 percent; yucca, 46 percent; and yams, 40 percent.

Cuba has [word indistinct] 1,180 CPA [Agricultural-Livestock Cooperatives] and 105,000 individual campesinos. The CPA need approximately 10,000 cooperative members to resolve their labor problem. The current ratio is one "caballeria" per person, which is very low for the various crops produced.

Other factors, like the lack of attachment of the individual worker to the area and housing and food difficulties, also hurt the CPA's work.

Individual campesinos, who are affected by the lack of resources along with the CPA and now the UBPC [Basic Production Units], are devoting their energies to increasing production and yields, by relying on their accumulated experience.

Recently a meeting of cooperative members and campesinos sponsored by the ANAP [National Association of Samll Farmers] was informed of a group of them that are doing outstanding work all over Cuba, and producing a variety of crops.

Still, not all campesinos work like this. Some do not meet the sales to state collection quotas and try to get rich in other ways.

It is also appropriate to note that in this situation the collection area leader plays a vital role.

Designated in September 1992, each area leader, of whom there are about 2,400 in Cuba, is responsible for an average of 50 campesinos.

They are assigned a fixed salary to ensure that the campesinos under their jurisdiction will produce the maximum on their farm and will sell their agreed upon production to the state.

The area leader is a member of the People's Councils. This is important, as it is where the campesino makes his moral commitment to his community.

There are places in Cuba where this system has been implemented and it is working well.

Still, in my view, the area leader's salary should be linked to the results of his job performance; in addition, the ANAP on a municipal level should recognize campesinos who have done outstanding work, so they will serve as examples to all the area inhabitants.

Plant Now To Avert a Continuing Decline

The spring planting plan is behind schedule.

The rains have allowed notable increases in May. Still, we need a stronger effort, as not continuing to experience production declines—which is vital now—depends on this planting season.

In addition to the 10,000 "caballerias" in the plan, there is a commitment to plant at least 4,000 "caballerias" of corn.

It is worthwhile to recall that while it is important to get a quality harvest, it is as or even more important to keep the fields cleared of weeds now when the spring promotes their rapid growth.

This is not only a matter of meeting the planting plan. In the final analysis, it also involves meeting the production plan, because for this we spend resources to prepare the land and obtain seed and other scarce resources that the nation provides at great sacrifice, so that we can increase the amount of food available to our people.

The delays can be recovered. The rains have brought us enormous benefits that we need to make use of.

The year 1994 must be one in which the decline in agricultural production is halted, and a year in which its integral recovery begins.

TRABAJADORES Editorial on Struggle Against Pessimism

FL1907155194 Havana Radio Rebelde Network in Spanish 1155 GMT 18 Jul 94

[From the "Doing Radio" program]

[Text] Today's TRABAJADORES editorial reassures that progress can be achieved despite the extreme conditions prevailing in the country. The Cuban labor movement newspaper states that neither voluntarism nor subjective factors [factores subjetivos] are the main reason for our critical economic problems and recognizes the effort and confidence with which the workers

struggle to find the most efficient formula to render each workplace more efficient in the production and services sectors. TRABAJADORES states: It is worthwhile putting the few who are not so sure that we will prevail in touch with the tens of thousands of sugarcane workers who carried out this harvest with dignity and pride. The editorial praises the army of education and health workers and the confidence with which Armed Forces fighters carry out their daily duties. The editorial concludes by pointing out that each worker must reflect on and evaluate his own conduct since we all share the responsibility of proving that we can prevail.

[Havana Radio Rebelde Network in Spanish at 1700 GMT on 18 July carries in its "National Radio News" program additional information on the TRABAJADORES editorial. The editorial reportedly says that the "much-sought national economic recovery looms in the distance thanks to an unspoken flexibility to adapt the production system to a world dominated by different laws and the people's heroism and capability to resist." The editorial also reportedly warns that "it will be necessary from now on to counter the adversary's attempts to sow pessimism, mistrust, and division and those who doubt the people's ability to find new solutions to long-standing problems."]

Roundup of Politburo Members' Activities

FL2007000294

[Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba between 12 and 19 Jul.

Maria de Los Angeles Garcia has attended the ceremony at the Higher Technical Institute of Cienfuegos, at which it attained the status of university. Carlos Rafael Rodriguez received a founding member certificate. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 12 Jul 94)

Maria de Los Angeles Garcia and Gen. Julio Casa Regueiro have attended the graduation ceremony at the Escambray Mountain Faculty of the first group of 56 agricultural engineers specializing in mountain harvesting. (Havana Radio Reloj Network in Spanish 1955 GMT 12 Jul 94)

Candido Palmero welcomed Jose Antonio Barroso, mayor of Puerto Real, Spain, upon his arrival at the Jose Marti International Airport in Havana City. Barroso advised that a donation will soon arrive in Cuba from Puerto Real and praised the people of Cuba. (Havana Radio Progreso Network in Spanish 1100 GMT 12 Jul 94)

Alfredo Hondal and Alfredo Jordan have visited organic orchards in Ciego de Avila Province as part of the Basic Cooperative Production Units' national conference. At the (Otin) orchards, Hondal and Jordan were briefed on land use, fertilizer uses, and were advised that this small area, 1,200 square meters, has produced 444 quintales of vegetables, with an income of 29,000 pesos. (Havana Radio Progreso Network in Spanish 1100 GMT 16 Jul 94)

Carlos Lage Davila is participating in a Higher Education Ministry assessment meeting, at which he stressed the importance of the correlation between theoretical knowledge and professional practice. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 Jul 94)

Newspaper Circulation, Media Staffing Reported

94CA0123D Barranquilla EL HERALDO in Spanish 3 Jun 94 p 4A

[Article by Leonor de la Cruz]

[Text] Havana. After the 1959 revolution, the present comunications media system was created in Cuba. Its characteristics are social ownership of the press and universal access to information.

Social ownership does not mean that the media in Cuba belong to a single entity. There are actually dozens of political, social, youth, and professional organizations, as well as various other organizations that sponsor the nation's different press organs, the president of UPEC [Union of Cuban Journalists], Tubal Paez, explained.

"Each of these institutions, based on the social interests it represents, keeps on eye on the work done by the people in charge of that press organ, as well as on the editorial policy, in its broadest sense, that is involved," he added.

Still, the editorial work is done by the immediate directors of the press organ. They are the ones with the authority to decide on the information coverage and contents of the publication.

The Communist Party of Cuba, as part of its duties and functions, guides national information and communications policies and ensures that they are implemented, while it supports and preserves the authority of editors and journalists.

Freedom of Expression

Tubal Paez explained that freedom of expression is protected in Cuba by factors of a legal, moral, and material nature so that the media cannot be used to defend special interests or to distort or falsify the truth, or be used against the nation's independence, the social system which the vast majority of the population has chosen, and human dignity.

Everyone receives an education in economic, cultural, and political conditions enabling them to play an active and intelligent part in national life. The constitution and laws protect citizens' rights to express their opinions publicly, both through the press and through a variety of social, union, and professional organizations. The conditions for material and social development have been created, with the extension of roads and means of

communications throughout the entire country and with the electrification of 95 percent of Cuban households, so all the citizens can be reached. For Cuba's approximately 10.8 million inhabitants, there are a total of 2 million television sets and 2.5 million radios.

Paez says that the media are participatory in nature and maintain ongoing, two-way communications with the population. The editorial staff of the press exercise editorial freedom independently, based upon ethical and professional principles.

The journalist has freedom, which is conceived as the right and the duty to seek information, wherever it may be, and to serve as a vehicle for the rapid, truthful, and most complete transmission of information possible, concerning all newsworthy events or issues of public interest.

The Media

Until 1989 the media structure was the following:

The daily GRANMA: 700,000 copies; the daily JUVENTUD REBELDE, 300,000 copies; the daily TRABAJADORES, 180,000 copies; the daily BASTION, 80,000 copies; and 15 provincial daily papers with a total circulation of 500,000 copies.

The weekly review BOHEMIA, 300,000 copies; plus another 584 publications which appeared at various periods, including large circulation journals, with a total of 85 million copies a year.

National Information Agency; the Latin American news agency, Prensa Latina, S.A.; five national radio stations, Radio Havana, Cuba, an international shortwave transmitting station; and 51 local radio stations.

Two national television channels which carried 70 percent of the national programming; eight regional television centers; seven provincial television affiliates; the Cine ICAIC [Cuban Institute of Cinematographic Arts and Industry] news show, and the ECITV-FAR [Revolutionary Armed Forces] news show.

Two university educational centers for training communications professionals.

The Pablo de la Torrente Publishing Company, attached to UPEC, publishes works on journalism and communications sciences; public relations agencies and promotional and public relations staffs of various organizations and institutions.

The Crisis

Starting in 1990, as a result of growing international problems in the former Soviet Union and the other countries of Central and East Europe on which Cuba had depended for its supplies of paper and other press-related materials, the Cuban information system was forced to make a number of cutbacks.

As a result of this process, at the present time the press is temporarily experiencing an overall decrease of 80 percent.

In terms of paper, this means that consumption has declined, in paper used for daily papers, from 24,250 tons to 6,090 tons a year; and in magazine-quality paper, from 12,000 tons to 3,300 tons a year.

The present situation of the print media is essentially the following:

GRANMA is now the only national daily publication, with a circulation from Tuesday through Saturday of 400,000 copies.

JUVENTUD REBELDE and TRABAJADORES have become weekly papers, each with a circulation of 250,000 copies.

The daily BASTION has ceased publication.

The 15 provincial daily papers have become weekly publications, with a combined circulation of 650,000 copies a week.

The journal BOHEMIA is still a weekly publication, but with fewer pages and a press run of 150,000 copies.

The other 584 publications have been reduced to about 20, which have changed their publishing schedules, their formats, and the size of their press runs.

Because of the fuel shortage and the electricity cuts, television programming has also been reduced by 35 percent.

Radio broadcasting schedules have been cut, although this is the form of the media that has retained the greatest levels of programming.

The filmed news shows have temporarily halted production, due to the shortage of materials.

Journalists Union

UPEC, which was founded in 1963, is a self-supporting nongovernmental organization, which has 3,354 journalists as members, including 96.5 percent of the nation's information professionals, explained UPEC's vice president, Jose Do Santos.

"UPEC is a social and professional institution, among whose goals is the defense of freedom [words indistinct] journalistic profession and working to promote technical and cultural progress and the social recognition of journalists," he added.

According to its bylaws, every five years UPEC holds a congress of the organization, at which its leaders are democratically elected. In Cuba, membership in a professional organization is not a mandatory requirement for engaging in journalism. Membership is voluntary.

Of the total number of members of the organization, 2,266 are men and 1,088 are women; 2,575 work in true press organs, and 779 work in institutional, publicity, and public relations organizations. The latter are also represented as members of the Association of Publicity and Advertising Workers of Cuba, a recently created organization with an extensive and growing membership among Cuban communications professionals.

Fifty-six percent of the journalists who are UPEC members are under the age of 35.

UPEC members include 1,789 reporters, followed by photojournalists, 291; but representatives of other journalism specialties may also be admitted as equal members, such as: camaramen, designers, proofreaders, humor writers, [words indistinct].

Despite the difficulties the Cuban press is experiencing as a result of the nation's economic crisis, the jobs and social security of journalists have been guaranteed, says Do Santos.

He added that they are continuing to work for the professional advancement of the sector; for the introduction of new technologies, to the extent possible; and to raise ethical and quality standards in work dealing with information.

Grenada

Prime Minister Resigns as Head of Ruling Party

FL2007012294 Castries HTS Caribvision Television in English 1745 GMT 18 Jul 94

[Text] Grenada's Prime Minister Nicholas Brathwaite has announced has announced his resignation as leader of the ruling National Democratic Congress, NDC. However, Mr. Brathwaite has retained his position as prime minister.

[Word indistinct] Grenada Broadcasting Corporation said Brathwaite has presented his letter of resignation to the party saying he would no longer be able to lead the NDC into a second term. The statement did not elaborate on his reasons for resigning. Brathwaite was appointed interim prime minister shortly after a U.S.-led military invasion of Grenada on the 25th of October, 1983. He led the NDC in March of 1990 to victory in the first democratic elections following the military intervention, which ousted a left-wing junta amid a political crisis that saw the execution of Prime Minister Morris Bishop and half of his cabinet. Political analysts say Brathwaite's resignation ahead of elections was not unexpected. There has, however, been no indications as to whom his successor will be. The NDC is expected to hold its national convention in September.

Haiti

Army Chief Cedras Reportedly Meets U.S. Congressman

FL1907190094 Port-au-Prince Signal FM Radio in French 1030 GMT 19 Jul 94

[Text] A reliable source has reported that Bill Richardson, Democratic congressman from New Mexico, met Haiti's army chief in Port-au-Prince on 18 July. Contents of the talks have not been disclosed. Richardson is considered close to President Bill Clinton. Richardson arrived in the Haitian capital from the Dominican Republic on a 24-hour private visit. He will leave Port-au-Prince by road on 19 July. It should be noted that a military source has denied CNN's report, broadcast on 18 July, that Lieutenant General Raoul Cedras met Dominican President Joaquin Balaguer.

[Port-au-Prince LE NOUVELLISTE in French publishes the following report in its "News Buzz" column on page 1 of its 18 July issue: "An authorized military source has denied reports that Lieutenant General Raoul Cedras and Dominican President Joaquin Balaguer met over the weekend. This source was not so categorical as to the probability that the two men had telephone conversation. The source only said: 'I don't know.'"]

Jonassaint Official Foresees 'Decisive' Week

FL1907192594 Port-au-Prince Radio Metropole in French 1045 GMT 19 Jul 94

[Text] A diplomatic breakthrough for the provisional government is rumored, even if it is an underground breakthrough. According to Minister of Foreign Affairs Charles David, who appeared last night on the U.S. channel, CNN, this week will be decisive for ending the crisis.

David also expressed certainty that the political crisis could reach an end, thanks to the action of Haitian diplomacy. He further revealed that the provisional government has established channels abroad. These channels have been receptive, he stated on U.S. television, before indicating that the end of the crisis was near. He said this week will be very decisive.

PNDPH Members Arrested; Delpe Seeks Explanation

FL1907213194 Port-au-Prince Radio Metropole in French 1600 GMT 19 Jul 94

[Text] A member of the National Progressive Democratic Party of Haiti, PNDPH, has been arrested. According to this party's leader, Senator Turnep Delpe, three soldiers burst into the premises of PNDPH where party members were talking and arrested several people. Sen. Delpe was not able to specify the number of people arrested by the military. However, he confirmed the arrest of the person in charge of the party's premises. Let us listen to Sen. Delpe:

[Begin Delpe recording in Creole] I learned a short time ago from a colleague who phoned me that the party's premises were invaded by the military—two wearing blue uniforms and one wearing a green uniform. Several party members were sitting there peacefully, but when they saw the military, some of them panicked. I later learned that some of them had been arrested. Among those arrested, I verified the arrest of Etienne Herisse, who is in charge of running the premises. I know that freedom of association is a right guaranteed by the Constitution, and I believe that citizens have the right to sit quietly and talk inside a building. For me, it is an attack on a human right. I ask that the concerned military authority provide an explanation. [end recording]

Further on Raid on Party

PA1907230094 Madrid EFE in Spanish 2041 GMT 19 Jul 94

[Report by Herold Jean-Francois]

[Text] Port-au-Prince, 19 Jul (EFE)—A group of Haitian military men and armed civilians today entered the headquarters of the National Progressive Democratic Party of Haiti (PNDPH), which supports the National Front for Change and Democracy (FNCD), the organization that brought deposed president Jean-Bertrand Aristide to power.

According to several witnesses, the military members fired shots into the air and beat and detained several active party members. The incident occurred while 35 PNDPH members were waiting for a group of FNCD leaders to hold a meeting. The political party is led by Senator Turnes Delpe, considered an FNCD leader. Delpe reported the illegal raid and reiterated that the Haitian Constitution recognizes freedom of association and meeting.

One of the detained persons was identified as Etienne Herisse, responsible for the party's headquarters. Delpe demanded the release of Herisse and the others who were captured.

It has also been reported that Democratic Congressman Bill Richardson of New Mexico met on 18 July with Raoul Cedras, the coupist chief of the Haitian Army. Richardson entered the country from the Dominican Republic by car and departed in the same fashion. The U.S. Embassy in Port-au-Prince confirmed the meeting between Cedras and Richardson, but said it is not part of any negotiation process. U.S. Embassy spokesman Stanley Schrager said the negotiations with the military men have stopped altogether.

In addition, the War Against Hunger organization of the Caguas diocese has appealed for stronger solidarity with the Haitian people after military men and paramilitary groups increased repression against their fellow citizens. The religious group's directors said it is necessary to join voices, resources, and efforts "to demand the cessation of outrages and human rights violations against our brothers."

APN Members Arrested, Incarcerated; Party 'Worried'

FL1907204194 Port-au-Prince Radio Metropole in French 1600 GMT 19 Jul 94

[Text] Two members of the Peoples' National Assembly, APN, were arrested on 14 July, where they were living in Cite Chauvet, in Cap-Haitian. They are Ronald Francois and (Lozier) Desir. APN, worried about the conditions of their incarceration of its members, indicated in a communique that one of them, Ronald Francois, was released on 15 July, while (Lozier) Desir was kept in prison.

Communique Issued on 'Pirate Radio' Station

FL1907203394 Port-au-Prince Radio Metropole in French 1045 GMT 19 Jul 94

[Text] The government is protesting the use of Haitian airwaves for the broadcast of Radio Democracy. The minister of information and coordination has asked the media in Port-au-Prince and in the provinces to strictly observe the laws governing the matter of news broadcast by regular radio stations.

The government communique states: Without authorization, a pirate radio has invaded Haitian radio space. The minister reminds the media in Port-au-Prince and in the provinces of their obligation. The communique goes on to say that this ministry, concerned with the smooth running of radio broadcasting in Haiti, enjoins the media to show more professionalism and serenity in order to maintain social order and guarantee state stability. The Ministry of Information, Culture, and Coordination takes the opportunity to remind the media in the capital and the provinces of its distinguished status.

Bishop To Mediate in Chiapas; Talks May Change

PA1907155694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 18 Jul 94

[From the "Early Morning" newscast]

[Text] Samuel Ruiz, bishop of San Cristobal de las Casas, has agreed to mediate the new dialogue with the Zapatist Army. In his Sunday homily, Samuel Ruiz talked about the National Democratic Convention called by the EZLN [Zapatist National Liberation Army]. He said he is already studying his role as a mediator.

Meanwhile, Peace Commissioner Jorge Madrazo admitted that current circumstances are not the same as those prevailing at the beginning of the year; therfore, the format for the dialogue will not necessarily be the same as the one used at the San Cristobal Cathedral.

Elections Prosecutor To Reject Pressure

PA1907145194 Mexico City Radio ACIR Network in Spanish 0000 GMT 19 Jul 94

[From the "Evening News Panorama"]

[Text] Ricardo Franco Guzman is the new special prosecutor for electoral crimes [procurador especial para delitos electorales]. Today, in assuming his post, Franco Guzman said he will not tolerate pressure from any political party or government office. He said:

[Begin Franco Guzman recording] I have never belonged to any political party. I never have. My only parties are Mexico and justice. I reject the conclusions of those who claim that I am a government man because when I was assigned to be special prosecutor for electoral crimes, I was in fact the deputy prosecutor.

I did not ask for a job in the Prosecutor's Office. I was asked to work for the office because of my legal abilities.

Also, I will not take into consideration the party affiliation of anyone when deciding on whether a person should face legal procedures or whether the matter should be filed away. [end recording]

Ricardo Franco Guzman was sworn in today in his new post. He has cautioned strongly that he will reject all pressure from political parties, government offices, and government officials, regardless of how important they might be, including, for example, the Government Secretariat and the Attorney General's Office.

Franco Guzman will be very busy, considering that there are already at least 100 cases awaiting arbitration according to the new terms of the Federal Electoral Code and the Penal Code approved by Congress.

Parties Sign Election Accord; PRD Does Not

PA1907145594 Mexico City Radio ACIR Network in Spanish 0000 GMT 19 Jul 94

[From the "Evening News Panorama"]

[Text] The Government Secretariat reported this morning that all the political parties participating in the 21 August elections, except the Democratic Revolutionary Party [PRD], have signed the Agreement for Civility, Concord, and Justice in Democracy.

Televisa Offers Free Air Time to Parties

PA1907170394 Mexico City XEW Television Network in Spanish 0430 GMT 19 Jul 94

[From the "24 Hours" newscast]

[Text] Today all the parties, the nine parties that have presidential candidates, started to make use of free air time granted by Televisa for broadcasting their political messages.

The programs started today at 1100 on Channel 5 for the PRD [Democratic Revolutionary Party]; at 1645 on XEQ Canal 9 Television Network for the PPS [Popular Socialist Party]; at 1845 on XHTV Television Network Channel 4 for the PRI [Institutional Revolutionary Party]; and in short while, after the "24 Hours" newscast is over on XEW Television Network Channel 2, for the PAN [National Action Party].

These transmissions by the nine parties will continue tomorrow in agreement with the schedule to be published in the newspapers. All parties will be allowed equal time on Televisa's four channels.

Four Cuban Fishermen Picked Up Off Yucatan Coast

PA1907160094 Madrid EFE in Spanish 2351 GMT 17 Jul 94

[Text] Merida (Mexico), 17 Jul (EFE)—Mexican immigration sources reported today that four Cuban fishermen were rescued by a Mexican ship off the coast of the port of Progreso, Yucatan, in the Mexican Caribbean.

Mauricio Sanchez, representative of the Government Secretariat's Immigration Services, said the four Cubans, using two small rafts, had left the Cuban fishing vessel Lambda 315 with the intention of reaching the Mexican coast.

The Cuban citizens, whose names were not disclosed, told Mexican authorities that their intention was to enter Mexico first and later ask the government to help them continue their journey to the United States.

In the past few months, more than 100 Cubans have reached the Mexican coast onboard fragile crafts attempting to leave the island and reach the coasts of Miami, Florida, where more than a million exiled Cubans now live.

El Salvador

Minister on Criteria for Peacekeeping Mission in Haiti

PA2007025194 San Salvador Radio Maya Vision in Spanish 1800 GMT 19 Jul 94

[Report by Mirna Lozano from the "Notivision" newscast]

[Text] The U.S. Government plans to invade Haiti, and the UN Security Council might decide whether or not El Salvador should participate in support of the U.S. Government. Foreign Minister Oscar Santamaria, however, has said El Salvador itself will decide the means of its participation.

[Begin Santamaria recording] We understand this. If this is a peacekeeping mission, we cannot speak of military intervention. These are mutually excluding terms, not parallel or complementary terms.

When we speak of El Salvador's possible participation, it must be after what needs to happen in Haiti has happened—in other words, after the de facto Haitian government has stepped down, as the Latin American community has already stated. It must also be considered within the framework of measures adopted by the United Nations, and only after the United Nations has invited El Salvador to take part. Only then will our government decide how and under what conditions our country will participate.

It has been requested that soldiers and policemen be part of the contingent. So far, however, we have not heard of any definitive plans on the part of the UN Security Council. In due time, El Salvador will consider how and under what conditions it will take part in this peacekeeping mission to restore democracy in Haiti. So far, we have not received a UN invitation or heard about the terms under which the United Nations might ask us to participate. [end recording]

Santamaria said the country's participation in a possible peacekeeping mission in Haiti will have to occur within a legal framework.

[Begin Santamaria recording] Also, we have made it known that we are willing to contribute to all diplomatic efforts to restore democracy in Haiti, provided these efforts work within a peaceful framework. We believe it is necessary to make use of all available diplomatic tools and every means that international law can provide to find a solution for Haiti. [end recording]

Santamaria said it will be the United Nations that will determine the role to be played by the peacekeeping mission to Haiti and which countries should participate in it.

Roundup of Economic Developments

PA2007011294

[Editorial Report] The following is a compilation of reports on economic developments monitored through 19 July.

The Central Reserve Bank of El Salvador reports Salvadoran exports increased 13 percent during the first five months of 1994 compared to the same period in 1993. Total export sales were $481 million, of which $128 million were in traditional products, $199 million in nontraditional products, and $154 million in assembly plant products. The most dynamic growth was registered in exports of assembly plant products, which rose 54 percent during the first five months of the year. Nontraditional exports that experienced an increase included oils, lubricants, wires, copper, or aluminum cables and strands, aluminum products, and nonmedicinal soaps. Imports reached $853 million during the same period for an increase of 9 percent over 1993. (Mexico City NOTIMEX in Spanish 1836 GMT 12 Jul 94)

On 16 July, the minimum wage in El Salvador will increase 13 percent according to an agreement reached at the National Minimum Salary Council among the government, private, and labor sectors. Official sources report the new minimum wage will be 1,050 colones ($119.58). The previous minimum wage was 930 colones ($105.92). The increase was based on the 12 percent inflation rate registered through December 1993. (Panama City ACAN in Spanish 1423 GMT 13 Jul 94)

Guatemala

Roundup of Economic Developments

PA2007015594

[Editorial Report] The following is a compilation of reports on economic developments monitored through 19 July.

The Guatemalan Government in the past few hours issued treasury bonds worth 300 million quetzals, or $52.6 million, to strengthen its financial position, according to Central Bank President Willy Zapata. He added that these bonds were issued to produce resources to finance the government and to prevent it from making withdrawals at the Central Bank. Zapata recalled that the Ramiro de Leon Carpio administration urgently needs funds to cover mid-year bonuses for public servants. (Mexico City NOTIMEX in Spanish 2318 GMT 13 Jul 94)

The most recent sugar and molasses production exports have yielded $150 million to the country, Armando Boesche of the Association of Sugar Producers of Guatemala reported yesterday. He noted that Guatemala is Latin America's third-largest sugar producer after Cuba and Brazil. Boesche said the country produced 700 million tons of sugar in the most recent harvest. (Guatemala City LA REPUBLICA in Spanish 16 Jul 94 p 7)

The German Government has authorized the disbursement of 128 million marks (about 435.2 million quetzals) to the regime of Ramiro de Leon Carpio from the funds that had been frozen because of the political problems created by deposed President Jorge Serrano, it was officially reported yesterday. (Guatemala City LA REPUBLICA in Spanish 16 Jul 94 p 9)

Honduras

Supreme Court, Judicial Workers Declare Strike

PA1907161194 Tegucigalpa Voz de Honduras Network in Spanish 1430 GMT 19 Jul 94

[Report by Cristobal Sauceda]

[Text] The Supreme Court of Justice and Judicial Branch workers have decided to stage a nationwide strike. No court, no judge, no court secretary—not even Judicial Branch administrative workers—is on duty right now anywhere in the country. The strike is indefinite—until a final solution is found for the many, many requests that have been sent to the honorable leaders of the Supreme Court.

Nevertheless, the Judicial Branch Workers Association's Board of Directors has just been summoned by Supreme Court President Miguel Angel Rivera Portillo, of all things, to threaten them and to warn that they will face the consequences.

While the Supreme Court magistrates voted, and we have the documents, to increase their medical allowance by $3,000 and 10,000 lempiras a month [figures as heard], retroactive to last October, workers are being denied 100 and 200 lempira increases. This is truly unfair.

Union Ends Strike at Tela Railroad Company

PA2007032594 Tegucigalpa Voz de Honduras Network in Spanish 1045 GMT 19 Jul 94

[From "The Morning Paper" newcast]

[Text] Yesterday at 1900, the Assembly of the Secretariat General of the Trade Union of Tela Railroad Company Workers [SITRATERCO] agreed to end a strike that had paralyzed the banana-transporting company for 21 days. SITRATERCO had called the strike to demand a wage increase and other benefits.

The executive branch is pleased the strike has ended. President Carlos Roberto Reina reacted favorably to the settlement of the conflict between the multinational company and SITRATERCO. He said that negotiations to settle this problem were conducted through the appropriate channels. Roberto Reyes Pineda has this report:

[Reyes] President Carlos Roberto Reina voiced his satisfaction after our station announced the conflict between the Tela Railroad Company and SITRATERCO had been settled:

[Begin Reina recording] We are very happy that this problem was settled through dialogue. The conflict created labor tension, and all of us were concerned. I repeat, am pleased that this has been ended through civilized means. [end recording]

[Reyes] President Reina noted that because one of the parties is not fully pleased shows that proper negotiations were conducted:

[Begin recording] [Reina] A conflict in which neither party is fully pleased is a conflict that has ended with proper negotiations.

[Unidentified reporter] Mr. President, there are apparently certain problems within the Board of Directors. Some leaders criticized others in this negotiation.

[Reina] I will not meddle in this because it is their business. I hope they will choose the best ones, the ones who are most loyal to their compatriots' interests.

[Reporter] The government said this was apparently more of an internal problem, because it did not sign or did not accept...

[Reina, interrupting] This is a thing of the past. This has been overcome. [end recording]

Roundup of Economic Developments

PA2007011194

[Editorial Report] The following is a compilation of reports on economic developments monitored through 19 July.

A Central Bank of Honduras report shows that Honduras' inflation rate increased 15 percent over the first half of 1994, compared to the same period in 1993. The report also indicates that consumer prices increased 2.03 percent in June 1994. Food prices increased 3.8 percent, while personal care and clothing prices increased by 1.8 percent and 1 percent, respectively. (Mexico City NOTIMEX in Spanish 1527 GMT 15 Jul 94)

Official sources report that the Honduran Government has increased the blackout periods from six to 12 hours a day in order to keep the El Cajon Dam operating. Electrical Emergency Commission President Herman Aparicio told the media that El Cajon Dam, whose capacity is 300 megawatts, is generating only 150 megawatts. The government has ordered a ban on the use of air conditioners, a reduction in television transmissions to 12 hours a day, and a ban on the use of neon signs. (Paris AFP in Spanish 1734 GMT 15 Jul 94)

The Honduran Government has decided to increase blackout periods to 14 hours per day beginning 18 July. According to National Electrical Energy Enterprise technicians, there is a shortage of 115 megawatts in meeting the nation's overall demand, which is 480 megawatts. (Paris AFP in Spanish 1439 GMT 18 Jul 94)

Basic grain producers have predicted a corn shortage in the nation. Businessmen are taking advantage of this situation and have increased the price of yellow corn from 1 lempira to between 5 and 7 lempiras per pound, and white corn is now being sold for 6.5 lempiras per pound. (Tegucigalpa LA TRIBUNA in Spanish 19 Jul 94 p 12)

Nicaragua

FSLN's Daniel Ortega Speaks on Revolution Anniversary

PA2007022094

[Editorial Report] Managua Radio Nicaragua Network in Spanish at 1646 GMT on 19 July broadcasts a 35-minute speech by Daniel Ortega, secretary general of the Sandinist National Liberation Front (FSLN), at the Plaza de la Revolucion in Managua on the occasion of the 15th anniversary of the victory of the FSLN revolution.

Ortega begins by addressing Nicaraguans and fellow Sandinists, noting that the world continues to face conflicts that world leaders have displayed no political will to resolve. He gives the example of Haiti, saying: "The Haitian people are suffering from a repressive military dictatorship trying to disregard the will of the Haitian people who elected President Jean-Bertrand Aristide. Within the Haitian conflict, we see the looming dark shadow of U.S. intervention. The Haitian people, just like the Nicaraguan people, did not need U.S. intervention to get rid of the Duvalier dictatorship. The Haitian people did not need U.S. intervention to hold the elections in which they voted for President Aristide. President Aristide, who has also visited our country, has clearly stated that he opposes intervention. Today, while we are commemorating the 15th anniversary of the revolution—a revolution characterized by its anti-interventionist principles—we say to the Haitian people that we are with them and that we oppose U.S. intervention."

Ortega also notes that on a day as important as this, the Sandinists cannot forget Cuba, a brotherly country that has supported the Nicaraguan people and that was able to rid itself of a repressive regime in 1959. Ortega recalls the struggles of the South African people, and he goes on to note the achievements of the Sandinist revolution following its 1979 victory, recalling its fight against illiteracy and the lands it handed out to peasants and cooperatives. Ortega remembers the war in Nicaragua: "The war imposed by Reagan brought us pain and suffering. Our country, which had a sustained annual growth of 3.4 percent from 1979 to 1983 was adversely affected by the war. It was a war we did not seek. It was a war imposed on us by the United States."

He lists the benefits the revolution provided to all Nicaraguans, Sandinists and non-Sandinists alike, but he also admits that some mistakes were made. Ortega says: "We could say that when we stripped farmers of their lands without compensating them, that was a mistake. We made corrections, but the damage had already been done. We could also mention other mistakes, such as the lack of communication with the people. You may remember the face-the-people meetings. The face-the-people meetings were permanent contacts with the people, but this was not enough, because sometimes the ears, and especially the hearts and consciences of some Sandinist officials, were closed to the demands of the people."

Ortega adds: "The FSLN is no longer interested in applying confiscation policies in this country. The time for confiscations has ended. The Sandinists have a commitment to the people to not repeat the policy of confiscations. It is important to make this clear, because our enemies are saying that if the Sandinists return to power, confiscations will resume. That is one great lie."

Ortega also notes that the FSLN's enemies are saying that the military draft will be reimposed if the Sandinists return to power. He says: "As for the military draft, we can say it already played its historic role. We can give you our word that the draft will never again return to our fatherland."

As for the lands given to the peasants, Ortega asks Nicaraguans returning to the country not to keep trying to take property away from the peasants. Ortega says the greatest problems the country must overcome include unemployment, hunger, and the lack of credit and financing for producers.

In discussing the upcoming elections, Ortega notes that they are going to be held in two years and four months, in November 1996. He says the Sandinists are preparing themselves to win the elections by fighting against hunger and unemployment. He says this is one of the FSLN's commitments. Ortega adds: "At the FSLN Congress held in May, the Sandinists ratified their commitment to fight for their principles and ideals. The FSLN is and will always be the party of the people, the party of the poor, the party of the workers, the party of the common people, and the party of those who are barefoot."

Daniel Ortega ends his speech by urging all of those who joined in the struggle against the Somoza government to also join the FSLN's struggle in favor of the poor and the unemployed. This is the duty of all Nicaraguans, he says.

Roundup of Economic Developments

PA2007004694

[Editorial Report] The following is a compilation of reports on economic developments monitored through 19 July.

Through an official communique, the Nicaraguan Government surprisingly decided to increase the price of fuel by 1 percent as of today. The economic cabinet also decided to implement an additional 2 percent increase during July to account for adjustments in the exchange rate. After that, fuel prices will increase 1 percent per week in an effort to limit the impact of the price hikes on the population. (Paris AFP in Spanish 1935 GMT 12 Jul 94)

The Nicaraguan Legislative Assembly has approved a law raising government payments on bonds by about 60 percent. The law also provides for shortening the bonds' maturity date from 20 to 13 years, while it raises their rates from 3 percent to between 4.5 and 5 percent. The bonds can now be used to pay public service debts with the government, social

security, and the electric company. (Panama City ACAN in Spanish 1434 GMT 13 Jul 94)

Corn and bean crops in some municipalities in Leon and Chinandega have been completely lost because of the extreme drought in the region. The agriculture minister said the nation's overall position is "not to panic, but this could turn out to be extremely serious" if weather patterns do not change. (Managua BARRICADA in Spanish 13 Jul 94 pp 1, 5)

According to official reports, the Russian Federation will pardon 85 percent of Nicaragua's debt which totals $1.6 billion. The remaining 15 percent is to be canceled through freely convertible currency. Recently, the German Government agreed to pardon 70 percent of Nicaragua's debt, approximately $150 million. (Hamburg DPA in Spanish 1844 GMT 16 Jul 94)

Foreign Minister Ernesto Leal held a working meeting with Chinese entrepreneurs who want to invest in a free zone. In a few days, a delegation of Chinese businessmen is expected to arrive to visit the nation. (Managua Radio Nicaragua Network in Spanish 1200 GMT 14 Jul 94)

The Japanese Government has made a $31 million donation to finance 60 percent of the Pozos de Ticuantepe water project, which will begin producing 18 million gallons of water daily within the next two years. The project provides for the opening of 18 wells each with a capacity of 1,000 gallons per minute to benefit 270,000 people. A total of 40 km of tubes were supplies by France through soft loans. (Managua LA PRENSA in Spanish 10 Jul 94 p 2)

Panama

Witnesses Say Plane Exploded; 21 Believed Dead

PA2007030694 Panama City TVN Television Network in Spanish 0118 GMT 20 Jul 94

[News conference by Zozimo Guardia, Panamanian Civil Aeronautics director, with unidentified reporters at the Civil Aeronautics Directorate on 19 July; broadcast in progress—live]

[Text] [Guardia]...the division's search and rescue teams and the public in general. According to the reports we have received, the cabin was split from the fuselage of the airplane, and bodies are strewn over a quarter of a mile. There are no survivors. The Civil Aeronautics Directorate is beginning an investigation on the possible causes of this incident and is not ruling out any possibilities. To that effect, and in view of the seriousness of the situation, we plan to request early tomorrow morning the assistance of international experts on such accidents in conducting the investigation. As soon as we have additional information, we will give the media the details.

[Reporter] Do you have the names of the passengers, or at least of the crew?

[Guardia] Sure. Captain Edmundo Delgado was the pilot, and Martin Beans was his copilot.

[Reporter] How many people were aboard the plane.

[Guardia] There were 18 passengers and one extra crew member.

[Reporter] Were they Colon Free Zone businessmen?

[Guardia] They were. Their relatives have been notified, and I will gladly provide you with the list of passengers.

[Reporter] Can you read it?

[Guardia] I cannot read the handwriting or the names written here, so I prefer to give you the list.

[Reporter] To clarify something, the total number of passengers was 19.

[Guardia] The total was 18 passengers, two crew members, and one extra crew member.

[Reporter] That makes a total of 21.

[Guardia] That is right.

[Reporter] Have any of the bodies been recovered?

[Guardia] According to the latest report, about 13 or 14 bodies had been recovered, and the search for the others continues.

[Reporter] When you talk about an explosion, are you ruling out a bomb or a mechanical malfunction?

[Guardia] I have said that we are not ruling out any possibility. It seems this was an explosion. Witnesses in the area said they saw the aircraft explode. We are not certain of that yet, which is why I said it appears to have been an explosion and that we are not ruling out any possibility.

[Reporter] [Words indistinct] what communication existed?

[Guardia] Communications were for takeoff from the Colon area, and that is all.

[Reporter] What nationality are these people?

[Guardia] They are all Panamanians.

[Reporter] Did the aircraft crash into the communications tower of a television station?

[Guardia] I have no information on that. That report seems to be false.

[Reporter] How far is this from the ...

[Guardia, interrupting] They were all Panamanians? The aircraft is located 1.5 miles from Santa Rita Mountain in a creek.

[Reporter] Is it easy to reach?

[Guardia] It is.

[Reporter] Mr. Guardia, what is the [words indistinct] the recovery of the bodies?

[Guardia] I said earlier that according to the latest report I have received, 13 or 14 bodies had been recovered, and rescue operations continue for the others.

[Reporter] Were there very powerful and economically influential bankers or businessmen aboard that flight?

[Guardia] I have the names, and I do not know any of them personally. I presume they were Free Zone businessmen.

[Reporter] Could the explosion have been caused by a mechanical malfunction inside the plane?

[Guardia] We have no idea.

[Reporter] Could this have happened from a technical standpoint?

[Guardia] Anything is possible.

[Reporter] What was the weather like at the time of the crash?

[Guardia] It seems the weather was good.

[Reporter] When will the bodies be brought to Panama City?

[Guardia] I do not know, the rescue teams are doing that now. Once they have recovered the bodies, they will be brought here.

[Reporter] The pilot made no contact with the tower at all?

[Guardia] The pilot made the normal contacts. He gave his takeoff time and estimated time of arrival at the Marco A. Gelabert Airport at 1630.

[Reporter] What about the rescue?

[Guardia] The rescue squads are working right now.

[Reporter] Will everything be done today?

[Guardia] The report I received stated that the plan was to do it today, but I have not received a last minute report on whether or not the rescue work continues.

This is a news conference taking place right now at the Civil Aeronautics Directorate. The director is reporting on the crash of airplane HP1202. A list of passengers was distributed. In all, 20 people were aboard, 19 of whom were passengers. I mean 21 people were aboard, 19 of whom were passengers. It also lists two crew members and a dispatcher. The pilot was Edmundo Delgado, and Martin Beans was the copilot. One of the passengers was Mrs. Chaaya de Shaker. Also aboard were Jorge Avila, Lya Jamal, Joseph Gershon, Moshe Pardo, James Cain, Vincent Pantaleo, Miguel Zubieta, Emanuel Attie, Alberto Attie, Saul Schwartz, Jean Francoisse Omar, Isaac Harrouche, Mauricio Harrouche, Rani Gabay, Salomon Chocron, Lizzie Philipps, Freddy Antebi, and Jose Gonzalez. These were the people aboard the HP airplane that, according to a report by Civil Aeronautics Directorate, exploded in midair. We were also told that the 21 passengers were killed and that the debris fell close to a creek in the Santa Rita Mountain. This is the report we have. Back to studios.

[Panama City ACAN in Spanish at 0138 GMT transmits a 250-word report which states that Saul Schwartz, one of the crash victims, "was kidnapped last year and released after reportedly paying a huge ransom."]

Roundup of Economic Developments

PA2007001094

[Editorial Report] The following is a compilation of reports on economic developments monitored through 19 July.

Juan Pascual, president of the Panamanian Exporters Association, has reported that the export of nontraditional products decreased in the first half of 1994 when compared to the same period a year ago. Pascual noted that a number of economic distortions are undermining the competitiveness of national companies. Among these, he cited the cost of electricity, certain labor regulations, problems at the ports, fuel prices, and bureaucracy. Pascual complained that Panama established requirements on its exports that other countries have not established on its imports. (Panama City Circuito RPC Television in Spanish 2300 GMT 12 Jul 94)

On 12 July, the state-owned National Bank of Panama (BNP) became a member of the Bank for International Settlements, headquartered in Basel, Switzerland, official sources reported today. BNP reports indicate that the bank earned revenues of $38.3 million by the end of fiscal 1993 compared to a $36.9 million deficit in 1990. Bank General Manager Luis Moreno revealed that the BNP has $2.7 billion in assets. (Panama City ACAN in Spanish 1853 GMT 14 Jul 94)

Panama Canal Administrator Gilberto Guardia yesterday reported that the Panama Canal registered $314.7 million in toll revenues during the first seven months of fiscal 1994, a 3.3 percent increase over the same period in 1993. (Panama City EL SIGLO in Spanish 15 Jul 94 p 56)

Olga Arosemena de Guizado, executive director of the National Banking Association, has reported that in 1993 Panama's international banking center increased its assets by more than $3 billion, or 13.2 percent. She added that assets increased by $26.824 million during the first four months of 1994. The banking official pointed out that deposits increased by 8.1 percent during the first four months. (Panama City LA ESTRELLA DE PANAMA in Spanish 15 Jul 94 p A9)

Argentina

Menem Acknowledges Weaknesses in Security Services

PY2007145494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1838 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—President Carlos Menem today recognized that "perhaps internal security has somehow been slack," and also categorically denied that the Israeli intelligence service had warned the government about possible terrorist attacks against Jewish community targets in Argentina.

Menem also insisted on the need to create a Security Secretariat to "fight actions like the attack against the AMIA [Argentine Israeli Mutual Association]" headquarters, and said that those who planted the bomb that destroyed the AMIA building had received internal logistical support from groups which he identified as those "who speak in terms of the Santiago del Estero revolt, the Argentine revolt [Argentinazo], and who vindicate the Chiapas rebellion."

"These terrorist facts force us to think things over. We are not used to this kind of situation, but from now on we will have to prepare ourselves appropriately," the chief of state said.

As for reports about an alleged warning from the Israeli intelligence service about the possibility that this kind of action could take place, Menem said that Mosad had never made any warning about possible attacks, as was the case with the Chilean Government.

"We were not told anything at all; we had not been warned," Menem said, totally denying newspaper reports indicating that foreign investigators had warned Argentine authorities about the "vulnerability" of the Argentine borders and the choice of Argentina as one of the targets of possible attacks.

Menem reiterated that the attack against the AMIA headquarters "was carried out by foreign terrorist commandos," but said he was sure that they "received logistical support from Argentina, from groups who are permanently inciting violence."

Although without specifying to what groups he was referring, Menem described them as those "who speak in terms of the Santiago del Estero revolt, of the Argentine revolt, of Chiapas, and so forth."

Menem said: "These groups are perhaps, to a certain extent—I am saying this with a great deal of reservation—some of the elements that are providing logistical support to international violence in Argentina."

Menem was also adamant about again fully endorsing the idea of creating an organization that would encompass all security organizations, and criticized those who opposed the idea but who are "demanding greater security in the face of an attack like this."

Menem complained that "they have not accepted our proposal to provide greater security to the people through a secretariat, which they claimed could become an authoritarian tool. Yet when actions like these take place, these people complain about a lack of security. So it is hard to know what to do so that these gentlemen don't become upset."

Menem stated that "there is nothing better that could be done than set up a secretariat to concentrate all efforts to more efficiently address security needs."

Menem added: "I would like to ask the public to consider all this (the attacks on the Israeli Embassy and AMIA) and to once and for all understand that whenever the government proposes the creation of an organization like the above, it is only seeking to more adequately guarantee the life, freedom, and property of all individuals."

Menem stated that "never before in Argentine history has any administration provided more freedom than this one." He made it clear that the idea behind creating a security secretariat "is not designed to undermine, to restrict, or to violate the people's freedom, because to do so would be absurd and clumsy."

Commenting on security at Argentine international airports, Menem said that "automation efforts are under way to tighten security and control," and noted that similar measures are being adopted in other key places.

In remarks to a radio station, Menem said: "This is what we are doing at Government House, where a new system has been set up to check the incoming and outgoing movement of people. We want to do the same in all major organizations, especially at ports and airports."

Menem said that the government "is making every effort" to identify those responsible for the attack, and noted that these kinds of attacks occur in Argentina because "Argentina promoted peace between Israel and the Palestinians, and because it has become a successful country."

Menem also described as "positive" the prompt assistance given to the victims of the attack, and stated that hospitals "are fully equipped" to treat the victims.

He categorically rejected criticism of government officials for allegedly failing to efficiently provide for the treatment of the victims.

Finally, Menem emphasized "the courage of AMIA and DAIA [Delegation of Argentine-Jewish Associations]" for having resumed their activities today, only 24 hours after the bloody attack.

Nation 'Not Adequately Prepared'

PY2007151294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1125 GMT 20 Jul 94

[Text] Buenos Aires, 20 Jul (NA)—President Carlos Menem has acknowledged that Argentina "is not adequately prepared" as far as security is concerned to

prevent terrorist attacks. He once again insisted that the death penalty should be meted out to those responsible for the bombing of the AMIA [Argentine Israeli Mutual Association] headquarters on 18 July.

Menem recalled that capital punishment was included on the platform of his 1989 election campaign, adding that "in all the rallies in which we mentioned this subject, we received a very enthusiastic ovation."

The head of state stated that the leaders of Jewish organizations had "earnestly requested that he not politicize this issue, as this attack has nothing to do with politics."

He pointed out that "this president was the first to visit Israel and support the peace process" that is taking place in the Middle East. He conceded that his stance could have been one of the causes for choosing Argentina as the target for terrorist attacks.

With regard to Argentina's security infrastructure, the president said that "we still do not know whether it was a kamikaze terrorist who perpetrated the attack on the Israeli Embassy." He went on to say that this had occurred despite help sent by the Israeli and U.S. Governments.

Furthermore, during yesterday evening's "Tiempo Nuevo" television program, Menem noted that the U.S., Spanish, Colombian, and Israeli Governments, which represent "countries that have much experience with terrorism," have offered to collaborate with the investigation into the attack on the AMIA headquarters.

Menem Creates Security Secretariat

PY2007022394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2117 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—Retired Brigadier Andres Antonietti, former military household chief, will be appointed head of the Security Secretariat that was created by a decree signed by President Carlos Menem.

Antonietti had been occupying the position of Santiago del Estero Province's security secretary.

The decree creating the Security Secretariat at the national level has already been signed by President Menem and will be released around 1900 at the Olivos Residence.

Interior Security Under Secretary Resigns

PY2007031594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0143 GMT 20 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—It has been officially reported that Interior Security Under Secretary Hugo Franco today submitted his resignation to Interior Minister Carlos Ruckauf.

"Well-known political circumstances have persuaded me that it is my duty to resign from my position so that you can do what is best according to the hour's political priorities and the nation's highest interests," says the note of resignation, which was distributed at Government Palace.

Number of Deaths in AMIA Bombing Climbs to 33

PY2007162494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1415 GMT 20 Jul 94

[Text] The death toll in the attack against the AMIA [Argentine Israeli Mutual Association] headquarters at 600 Pasteur Street in the Once district of Buenos Aires has climbed to 33, while the number of injured totals 157.

This information about the number of victims was disclosed by SAME [expansion unknown] Chief Alberto Crescenti.

Preliminary Report Indicates Car Bomb

PY1907122394 Buenos Aires Radio Nacional Network in Spanish 1205 GMT 19 Jul 94

[Text] Judge Juan Jose Galeano has stated that police experts are working at the scene of the bombing in order to establish the cause of the tragedy.

According to first reports the bomb, made of some 70 kg of explosives, was presumably placed in a car during an operation similar to that carried out when the Israeli Embassy was demolished in March 1992.

Iraqi Detainee Identified as Former Soldier

PY1907154294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1426 GMT 19 Jul 94

[Excerpt] The Iraqi citizen who was detained in Paso de Los Libres has been identified as Adnan Muhammad Yusif, 31, and was an infantry soldier in his country's army.

Meanwhile, government spokespersons have confirmed that the name of the Moroccan who was arrested last night in the neighborhood of the AMIA [Argentine Israeli Mutual Association] building is Al-Kabir Talcan, 33, and that he entered the country on 11 July and is domiciled at 3333 Soler St. of this capital. [passage omitted]

Suspect Flown To Buenos Aires

PY2007023394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2028 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—Iraqi citizen Adnan Muhammad Yusif, who is suspected of being involved in the attack against the Argentine-Israeli Mutual Association [AMIA] headquarters in Buenos Aires, arrived shortly after 1700 [2000 GMT] at this city's airport. He was flown to Buenos Aires from the border town of Paso de Los Libres, Corrientes Province.

Moroccan Citizen Arrested

PY1907140294 Buenos Aires Radio Nacional Network in Spanish 1337 GMT 19 Jul 94

[Text] Some 30 minutes ago, President Carlos Menem released information about the arrest of another person. Moroccan citizen Al-Kabir Balkan, 33, was arrested in the neighborhood of the AMIA [Argentine Israeli Mutual Association] building after the explosion.

The German woman citizen and the Iranian citizen who tried to depart on 18 July from Ezeiza Airport on a VIASA flight remain under arrest.

Municipal Building Evacuated in Bomb Threat

PY1907140794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1348 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—Roberto Peluso, municipal health secretary, has reported that the Plata Building of the municipality of Buenos Aires, located at the corner of Carlos Pellegrini and Sarmiento Streets, is now being evacuated after a bomb threat was received.

In addition, an explosives brigade and a fire engine from the Central Fire Department are now at 2500 Corrientes Ave. due to the finding of a suspicious package.

Bomb Threat Another 'False Alarm'

PY1907154894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1426 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—The Plata Building, which this morning received a bomb threat, was inspected some minutes ago by explosive experts and it was found that it was a false alarm.

The building is located at 211 Carlos Pellegrini St. and houses the municipality's courts, a branch of the bank of the city of Buenos Aires, a maternity institute, and a tea room.

The explosives brigade detonated a suspect briefcase at 2500 Corrientes Avenue which proved to be empty.

'Wave' of False Bomb Threats

PY2007153994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2217 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—The bloody bomb attack against the AMIA [Argentine Israeli Mutual Association] building has in the past few hours produced a wave of threats against various official and private organizations, including one linked with the Jewish community in Argentina.

The Del Plata building, which is owned by the Buenos Aires municipal government and is located at the corner of Carlos Pellegrini and Sarminto Streets, had to be evacuated in the morning after receiving a bomb threat over the phone, municipal Health Secretary Roberto Peluso reported.

Federal Police bomb squad experts conducted a thorough search of the area and found that it was a false alarm.

The building, which is located at 211 Carlos Pellegrini Street, houses the municipal court, a branch of the Bank of the City of Buenos Aires, a nursery, and a tearoom.

A bomb squad and a fire engine from the Central Fire Department reported to a building at 2500 Corrientes Street to check a suspicious suitcase.

The squad members detonated the suitcase, which only contained papers.

Another false alarm was reported at the corner of Viamonte and Ayacucho Streets, a few meters from the attacked AMIA building.

Neighbors, who were alerted by the presence of the suspicious package, called the police, but the package was found to contain garbage.

Another false bomb threat was reported at the main building owned by Aguas Argentinas in Buenos Aires.

In light of the large number of bomb alerts received during the day, bomb squad members carefully checked a suspicious package at the back of the building, but it was found to pose no danger.

In La Plata, a false bomb alert was reported at noon at a branch of the Banco Cooperative Limitado, which is owned by the Jewish community.

A phone caller said that a bomb had been placed at the bank, which is located at the corner of 6th and 48th Streets in downtown La Plata.

As a precautionary measure, the police evacuated the building to search for the bomb.

The employees of the bank and passers-by experienced tense moments while the police searched the building and found out that it was a false alarm.

In San Luis two textile factories that have Jewish capital received bomb threats. The factories were evacuated until the police found out they were false alarms.

Security Reinforced at Israeli Installations

PY2007030394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2106 GMT 19 Jul 94

[Text] La Plata, 19 Jul (NA)—The Buenos Aires Security Secretariat has ordered a reinforced police guard on all Israeli entities in Buenos Aires Province as a precautionary measure implemented as a result of the attack against the Argentine-Israeli Mutual Association [AMIA] headquarters.

The measure includes schools, cemeteries, clubs, banks, synagogues, cultural centers, settlements, and premises of the Argentine-Israeli Associations Delegation (DAIA) throughout the province.

The Buenos Aires Police Department's General Investigative Directorate and General Intelligence Directorate are working to obtain information to help the investigation into yesterday's bloody attack.

Israeli Consul Points to Fundamentalists, Neo-Nazis

BR1907105694 Rome L'UNITA in Italian 19 Jul 94 p 13

[Telephone interview with Israeli Consul in Buenos Aires Dani Carmon by unidentified correspondent in Italy; date not given: "They Struck Us Because We Serve the Cause of Israel"—first paragraph is L'UNITA introduction]

[Text] "It was a terrifying explosion. The building has been completely razed to the ground. There were more than 100 people in the Israeli-Argentine Mutual Assistance Association offices at the time of the explosion. It is terrible, what has happened is terrible." Dani Carmon, Israeli consul in Buenos Aires, is in a state of shock as he answers our questions over the phone. "This massacre recalls other images of death to mind," he says, "those of the attack on the embassy where I am sitting now, which took place only two years ago."

[L'UNITA] What is the situation at the moment?

[Carmon] Buenos Aires is in a state of confusion: Dozens of ambulances are rushing back and forth through the streets in the city center. The embassy staff is at the scene of the attack, helping the Argentine relief workers dig through the rubble. Some of the diplomatic staff have relatives among the employees who worked in the building. At the present moment we are concentrating on saving those buried in the ruins. What has happened is a crime against the whole country, not just against the Jewish community.

[L'UNITA] What is the aspect that has struck you most forcibly about this act of terrorism?

[Carmon] The murderers' brutality, their determination to kill as many people as possible. The building housing the association is in a working-class neighborhood, with a lot of workshops and tradespeople's establishments. The bomb did not go off at dawn, but when people were on their way to work, when the children were already out playing in the streets. It is a neighborhood inhabited not only by Jews, but by citizens of Asian origin as well. The terrorists wanted a slaughter of the innocents, and they got one.

[L'UNITA] From Israel, Prime Minister Yitzhaq Rabin has accused the Islamic fundamentalist terrorist groups of perpetrating the attack. Are you of the same opinion?

[Carmon] At the present moment, all our efforts are directed at saving the people involved in the bombing. In the next few days, we will have time to reflect on who is behind the attack. What I can say is that the Argentine Jewish community has been actively engaged for some time on two fronts: supporting the State of Israel at the political and economic level and keeping alive the memory of what Nazism and fascism and anti-Semitic intolerance represented in this country too. We have not merely borne witness; we have raised funds for Israel, we have worked in support of the peace process with the Palestinians, we have organized exhibitions, conferences, and lessons in the schools on the holocaust and the Nazi criminals who found refuge and protection in Latin America at the end of World War II. All in all, we have annoyed both the Islamic fundamentalists who oppose peace in the Middle East and the neo-Nazi groups that are active in Argentina as well.

[L'UNITA] Had you received threats lately?

[Carmon] There had been a few anonymous phone calls, and we had received precise instructions from Jerusalem to tighten security measures around the embassy and all potential targets for Islamic terrorists. We did everything within our power, but it was not enough to stay out of the hands of these brutal criminals.

Theory of Hizballah Bases in Brazil, Paraguay Reappears

PY1907192294 Buenos Aires CLARIN in Spanish 19 Jul 94 pp 6-7

[Text] The first reaction by the Argentine intelligence services after the 18 July attack against the premises of the Argentine Israeli Mutual Association (AMIA) was to shake the dust off a report that was drafted at the beginning of the year on the alleged existence of a "support base" of the pro-Iranian organization Hizballah in the south of Brazil.

Hizballah has been attributed with the intellectual authorship of most of the main anti-Israeli attacks, including the blowing up of that country's embassy.

According to the secret reports that are circulating within the National Intelligence Center (CNI), the said base has presumably been charged with "providing logistical assistance for attacks against Israeli objectives."

This "terrorist structure" functions in the south of Brazil (Foz do Iguacu) and in Paraguay, in Ciudad del Este.

In February 1994 the Brazilian police detected a series of contacts by the alleged terrorists with the "region's arms traffickers." This information was given to CNI by Argentine military intelligence services.

The various Argentine intelligence services on 18 July began to work with their "hypotheses." But it is true that the agents are still fluttering around this one clue: that of the terrorist cells in the south of Brazil.

The spies have the following data:

—Iranian settlements with large operations capabilities are presumably functioning in the border cities of Foz do Iguacu (Brazil) and Ciudad del Este (Paraguay).

—There are complaints from Argentine intelligence services of a lack of cooperation from those two countries.

—An official source commented to CLARIN that these settlements operate with a capital of some $4.5 billion [as published].

Presumably there are recordings of conversations which have not yet been deciphered. An official source commented to CLARIN that "the dialects that were used appear to be ancient languages, and there are no translators prepared for this task. The only capable person apparently does not enjoy the confidence of intelligence personnel."

The Argentine spies presumably called in two Mosad (Israeli intelligence) specialists to evaluate the information at hand.

To demonstrate that the government already had its suspicions, Raul Burzaco, the outgoing media secretary, disseminated an article published 2 months ago in THE NEW YORK TIMES that spoke about an Israeli alert in anticipation to attacks by Islamic fundamentalist groups.

Regarding the attack itself, the discussion centered on whether a car bomb was used or whether the explosives were placed inside the building.

The majority favored the latter possibility. "The policemen that were on guard in a patrol car, and who were wounded during the attack, recounted that 'the floor began to tremble from underneath' before the explosion," an official source commented.

Those who believe in the car bomb highlighted the fact that "the shrapnel" was found all over the place. And for these people this was sufficient proof that this system had been used.

They also recalled that in the attack against the Israeli Embassy more than 2 years ago the terrorists used a car bomb.

The assistance given by Israeli intelligence services to their Argentine counterparts has been constant since that time. "They come constantly," a high-ranking government source told CLARIN. The source added that the Israeli services "have for some time had a red light regarding this area of the world."

Paraguayan Security Chief Confirms 'Terrorist' Presence

PY1907215594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1613 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—Enrique Martinetti, intelligence chief of the Paraguayan Government, today confirmed that a Lebanese terrorist recently stayed in the north of Argentina and in his country trying to organize sabotage against Israel.

Martinetti indicated that a Lebanese Shiite named Ahmad al-Maqdav visited Paraguay; that he was also in Foz do Iguacu, Brazil, and in Puerto Iguazu, Argentina; and that he "had come to evaluate the possibility of poisoning meat exported to Israel through two enterprises in Asuncion."

The Paraguayan official said that "these enterprises were visited by the police, and they were warned about the existence of a sabotage plan, and they were advised to take the necessary security measures to prevent it."

In remarks to [Buenos Aires] Radio Mitre he stated that the Lebanese could not be arrested, and that by now he is already back in Lebanon, according to information provided by the Mosad.

Martinetti also confirmed that a Lebanese colony has established itself in Ciudad del Este, Paraguay, and it is dedicated to trade, and that "no other parallel activity has been detected," although he did not reject the fact that it could be "a cover."

He indicated that an investigation was carried out to determine if the Lebanese terrorist had made any contacts with that colony, but nothing could be established.

In conclusion, he indicated that he had given this information to Carlos Alberto Espinaco, first secretary of the Argentine Embassy, with whom "he has exchanged some information."

Guillermo Seita Named Media Secretary

PY2007024694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2219 GMT 19 Jul 94

[Text] Buenos Aires, 19 Jul (NA)—It was officially reported this afternoon that Guillermo Seita has accepted the post of secretary of the media offered him by President Carlos Menem.

The announcement was made by current secretary Raul Burzaco at the Olivos Residence.

Bolivia

FELCN Arrests 42 Colombian Traffickers

PY1507213494 La Paz Television Nacional Network in Spanish 0100 GMT 15 Jul 94

[Article by Carlos Mesa]

[Text] I want to refer to the Fides News Agency report that 42 Colombians were arrested during the latest operations carried out by the Special Antinarcotics Force, the FELCN, in the Chapare region. I repeat, 42 Colombians who are involved in drug trafficking activity were arrested. They will be introduced to the press within the next few hours.

However, these Colombian drug traffickers have been working in the country for years, although their activities have been intensified over the past few months. They

entered the coca production zones, organizing their groups according to new methods and modernizing the process.

Moreover, the more frequent presence of experts in chemistry has been noted. They are engaged in crystallizing the cocaine paste. The report adds that these people are trying to turn this country into another Colombia, to organize groups of henchmen at the service of drug traffickers' economic interests, and to increase consumption, especially among the youth and in high schools.

These groups are very well organized and act as companies. The leaders conduct the trafficking activities following a strict chain of command, and they leave money as advance payments to their national employees to obtain all the cocaine they can and to store it in prearranged places.

The arrest of these 42 Colombians is certainly a matter of concern. Their names will be released to the press within the next few hours.

[La Paz Television Nacional Network in Spanish at 1700 GMT on 15 July, in a followup report on the arrest of drug traffickers, including Colombians, notes the following:

["Among the hundreds of drug traffickers arrested over the past five days, 42 are Colombians, and they are apparently linked to the Medellin Cartel.

["The 42 Colombians are being held in accordance with the provisions of Law 1008, and only when the investigations concerning their activities in the Chapare region are concluded will they be released."

[Government Minister German Quiroga, in recorded remarks, says: "According to the latest report we received early this morning, so far some 200 people have been arrested and some 700 kg of cocaine paste seized. There are many operations being carried out now, and in addition to the Colombians, at least three or four Peruvians and some Argentines were arrested under circumstances linked to illegal drug trafficking activity."]

Main Aspects of Popular Participation Outlined

94SM0394A La Paz HOY in Spanish 2 Jun 94 p 16

[Unattributed article: "Popular Participation Is Now a Reality: How the Revenues Will Be Distributed"]

[Text] Amid the opposition of the nation's larger municipalities and the widespread confusion in the smaller ones, the government has inaugurated a new system for the distribution of funds by means of which it seeks to "end inequality in Bolivia."

Despite the opposition of major departmental municipalities and amid the disorganization that prevails in most provincial city councils, the national government yesterday put into effect the Popular Participation Law, one of its most ambitious projects.

The law—which the government says will enable it "to end poverty in Bolivia"—provides for the redistribution of one-fifth of the nation's tax revenues among more than 300 municipalities. The same government officials, however, admit that no banking network suitable for the purpose yet exists.

The law, however, also provides for the transfer of the national government's administrative responsibilities in the areas of health and education.

A number of city councils including those of La Paz, El Alto, Santa Cruz, and Tarija yesterday questioned the validity of the Participation Law, citing the disproportion that exists between the funds transferred and the responsibilities transferred and also the authoritarian manner in which the national government has put this plan into effect.

Other critics point out that the new law would ultimately be translated into virtual hegemonic political domination by the MNR [National Revolutionary Movement] through the so-called Basic Territorial Organizations (OTB's) that are established by the new law as organizations to oversee the expenditure of the funds in all the municipalities.

The departmental and provincial prefectures—whose hierarchical duties are assigned by the government itself—are solely responsible for auditing the OTB's.

Arguments in Favor

Amid all the criticism, spokespersons of the National Secretariat (until recently known as the Popular Participation Unit) of the sector explained the economic advantages that the new law offers the public.

"In 1993," they said, "10 percent of the funds derived from internal revenue taxes and customs duties was allocated to the municipalities and distributed in such a way that 91.8 percent was given to the capital cities and only 8.2 percent to the provinces.

"Because of this concentration of funds in the urban areas," they added, "those areas received 90.5 percent of all funds and the remaining departments only 9.5 percent."

The Popular Participation Law, however, provides for a series of changes that include total coparticipation in the funds derived from collection of the VAT and from transactions, thereby benefiting the departments that receive partial compensation.

The spokespersons further stated that the municipal governments will receive 100 percent of the funds derived from the Tax on the Anticipated Income of Owners of Assets [IRPPB] (real estate, vehicles, and so

forth, both rural and urban). The General Treasury of the Nation is no longer receiving the 30 percent that had been allocated to it.

Similarly, the municipal governments will receive the 10 percent for tax coparticipation that the regional development corporations had been receiving, plus an additional 10 percent. They will be required to allocate 90 percent of what they receive to public investments, although this will ultimately depend on the control that is exercised over the entities that are in charge of managing the funds.

A Special Grants Fund is also created, to provide assistance to departments whose per capita income is below the national average.

Equality and Participation

According to these government spokespersons, it is estimated that beginning this year the provinces will receive 49.2 percent of the funds and the capital cities 50.8 percent.

The central economic axis of the nation will receive 73 percent, while the remaining departments will have 26.5 percent for their own use.

With this new distribution of revenues, the funds available to the most depressed departments—such as Potosi, Beni, and Pando—will increase by more than 1,500 percent. The government spokespersons insist that the funds available to departments such as La Paz, Santa Cruz, and Cochabamba will increase by up to 100 percent, despite the belief of municipal authorities in La Paz that their revenues will be depleted at the same time as their responsibilities are increasing.

Sources of the Funds

According to Participation officials, the departmental revenues will have a new structure; and in this connection the General Treasury of the Nation will assume responsibility for seeing to it that no department receives less funds.

Each department will receive 54 percent of its revenues from the coparticipation, 18.7 percent in grants, 14.8 percent from the IRPPB, and the remaining 12.3 percent in transfer payments and from the Compensation Fund.

[Box, p 16]

What Is "Popular Participation"?

Popular Participation is the direct, permanent, and sustained access by neighborhood councils, rural communities, and Indian villages—the so-called Basic Territorial Organizations (OTB)—to the public governmental structures that make decisions and exercise social control.

Twenty percent of the tax coparticipation—that is to say, of the national revenues—are administered by the municipal governments and only 5 percent by the universities.

The tax coparticipation will be distributed among the municipalities according to the number of residents in each municipal jurisdiction, and among the public universities according to the number of residents in the respective departmental jurisdictions in which they are located.

Meanwhile, the tax coparticipation funds destined for the municipalities will be paid by the national government into the respective Popular Participation accounts, individualized by municipality. The municipal governments will be required to allocate at least 90 percent of these moneys to public investments and only 10 percent to current expenses of the municipalities.

There is, in addition, the income received from the departmental grants that are administered by the development corporations for physical infrastructural projects in the areas of social welfare, the environment, basic services, and highway systems.

In this context, a compensation fund was also established for those departments that do not receive grants or receive them in a proportion that is below the national per capita average for grants.

These development funds can only be used to finance projects that are proposed by the OTB's, and these projects will in turn be executed by the city councils.

Ministry Reviews Country's Prison Population

94SM0394B La Paz HOY in Spanish 14 Jun 94 p 15

[Unattributed article: "Of Every 10,000 Persons, Six Are In Prison"]

[Text] Interior Minister Quiroga acknowledges that human rights violations exist in the prisons. Nationwide, six persons out of 100 in the total prison population are between 13 and 19 years of age.

In Bolivia, six out of every 10,000 persons are in prison. Tragic signs of injustice and human rights violations have been observed in the nation's prisons. Although many women have been deprived of their freedom, most of those serving sentences are men.

This situation is corroborated by a study that the National Statistics Institute and the Interior Ministry have made of the social and legal situation of the prison population.

The study includes the percentages for individual categories of crimes, prisoners whose sentences have been appealed, prisoners under formal detention, prisoners under preventive detention, male and female prisoners, prisoners between 13 and 19 years of age, and prisoners 60 years of age and older.

Percentages for Individual Categories of Crimes

Indicators were developed showing the percentages for three categories of crime represented in the nation's prisons: narcotics trafficking, murder, and bad check-writing.

Twenty-six percent of the prison population is in prison for narcotics trafficking. A larger percentage of women (40 percent of all female prisoners) than men (23 percent of all male prisoners) are in prison for this reason.

The crime of murder occupies second place as the reason for imprisonment. In contrast to narcotics trafficking, a larger percentage of male prisoners (16 percent) are in prison for this reason than female (13 percent).

A larger percentage of women (15 percent) than men (5 percent) are in prison for writing bad checks, but a larger percentage of men (14 percent) than women (5 percent) are in prison for robbery.

Percentage of Prisoners Whose Convictions Have Been Appealed

Only 22 percent of the prisoners have had their sentences appealed (29 percent of the women and 21 percent of the men).

Percentage of Prisoners Under Formal Detention

Of the total prison population, 44 percent are under formal detention. Only 44 out of 100 male prisoners are in this situation, compared to 50 out of 100 female prisoners.

Percentage of Prisoners Under Preventive Detention

Of the total prison population, 33 percent are under preventive detention. Of every 100 male prisoners, 35 are under preventive detention, compared to 21 out of 100 female prisoners.

More men are lawbreakers than women.

The prison census also revealed that men commit more crimes than women. Seven times more men than women go to prison.

Percentage of Prisoners Between 13 and 19 Years of Age

Nationwide, 6 percent of the prison population is between 13 and 19 years of age.

Percentage of the Prison Population 60 Years of Age or Over

Four out of every 100 persons in prison are over 60 years of age. Five out of every 100 male prisoners are in this age bracket, and four out of every 100 female prisoners.

[Box, p 15]

This week the United Nations will release the sum of $200,000 for the prison infrastructure in the departments of La Paz, Santa Cruz, and Beni.

The announcement was made by Interior Minister German Quiroga, as he was discussing the present situation of the prison population of the entire national territory.

"We are striving to improve this situation," he said, "and in this effort we have the assistance of friendly countries and institutions that are cooperating with us to improve the prison infrastructure."

He explained that the aid Bolivia will receive from the United Nations will be used to upgrade the Chonchocoro prison in La Paz and the Palmasola and Trinidad prisons in Santa Cruz.

"Pursuant to the conclusion of the negotiations," he continued, "and, in particular, to the comments that the United Nations made concerning the proposal to release the $200,000, these three prisons will have a new infrastructure that will benefit a large number of prisoners."

Quiroga expressed the opinion that other prisons also need upgrading, especially the one in Cochabamba and even the San Pedro prison in La Paz.

He commented that the prison census will be very helpful in enabling the government to provide greater support for the work program in the nation's prison system.

Miguel Angel Virrueta, assistant secretary of the Prison Administration, visited the nation's prisons one month ago to evaluate current conditions in those institutions and inform himself of their needs.

One of the penal institutions that is currently beset by major problems is the Trinidad prison, and a part of the money released by the U.N. will therefore be earmarked for that institution.

Study Analyzes Progress of Mining Sector

94SM0394C La Paz EL DIARIO in Spanish 12 Jun 94 p 17

[Unattributed article: "CEDLA: National Mining Sector Between Diversification and Uncertainty"]

[Text] Under the increasing domination of the private sector, the Bolivian mining industry has in recent years achieved important progress in its program to diversify production, although without the power to ensure permanent and sustained future growth, according to a study made by the Center of Studies for Labor and Agriculture Development (CEDLA).

"The development of the mining sector in recent years has in general been positive but is not sufficient to ensure the self-sustaining growth that would be required to

finance the growth of the rest of the economy," according to the study, which was developed by CEDLA consultant Ernesto Sheriff.

Recovery of Production

"Mineral production has recovered to the point of achieving—generally speaking—a level comparable to that of 1980. In many categories, production of some minerals (zinc and gold) has increased while the production of others that have sustained strong external shocks (such as tin) has almost returned to pre-1985 levels," the study says.

"Also significant is the fact that this level of production was achieved despite lower prices and under market conditions that were more difficult than those prevailing in 1985," says the CEDLA report, which is entitled "The Program of Structural Adjustment and the Bolivian Mining Industry: A Critical Assessment."

This positive evolution in the quantity of national mineral production, however, is probably not the most outstanding achievement in recent years. In Sheriff's opinion, the greatest accomplishment of the Bolivian mining sector is that it has achieved a greater degree of diversification of production by undertaking the mass production of zinc, gold, and silver and no longer relying solely on tin.

In 1980, the national mining industry obtained 60 percent of its revenue from the production and sale of tin—a situation that exemplified the danger of allowing mining activity to be dependent on a single product. Under these circumstances, a significant decline in the world price for tin could virtually bring the entire Bolivian mining industry to the brink of collapse and impact the rest of the economy negatively. In 1993, however, production was much more diversified, inasmuch as tin generated only 32 percent of all revenue from mining. During the past year, zinc accounted for 27 percent of the total value of mining production and gold 21 percent, according to information developed by business organizations in the mining sector.

Not everything is positive, however. In the opinion of the CEDLA consultant—who analyzes the impact of the neofree-market model on the national mining industry—the new rules of the game that have been imposed since 1985 were not all assimilated in the same way by the various mining subsectors.

"Medium-scale mining," the study says, "was the only private subsector to record a level of development in accordance with the model's projections, and it has become the axis of the national mining industry. At the same time, Comibol [Mining Corporation of Bolivia] was simultaneously carrying out a "disorderly retreat" in its productive activity, although without eliminating the factors for crisis that are present in the state-owned mining industry.

"On the other hand," the study adds, "small-scale mining recorded a contraction of activity in almost all categories, whereas cooperative mining recorded growth that was, however, labor-based and accompanied by a high degree of technological backwardness, poor working conditions, and the lack of investment in development."

Limitations and Problems

In Sheriff's opinion, however, the present-day Bolivian mining industry has not been completely successful in asserting itself. "The stagnation—and subsequent decline—in mining production between 1991 and 1992, and the modest growth in 1993 (due mainly to the increased production of gold following the expansion of operations at Inti Raymi), call into question the ability of the free-market model to ensure self-sustaining growth in the sector."

"A process of continuing growth cannot be guaranteed even in medium-scale mining," the CEDLA adviser says, explaining that serious problems—both internal and external—are still present and are hindering the development of the national mining industry.

Brazil

Amorim: Unilateral Haiti Initiative Not Backed

PY1907121694 Rio de Janeiro O GLOBO in Portuguese 16 Jul 94 p 16

[Text] Brasilia—Brazil was mistakenly included among the 12 Latin American countries that showed willingness to help the United States preserve order and restore democracy in Haiti after the military step down from power. On 14 July, news agencies reported that Brazil was included in a list released by Madeleine Albright, U.S. ambassador to the United Nations. However, in talks on 17 July with Ronaldo Sardenberg, Brazilian ambassador to the United Nations, the U.S. diplomat said there had been a misunderstanding.

A Brazilian diplomat said: "The ambassador asserted that she did not mention Brazil among the mobilized countries, as reported."

Foreign Minister Celso Amorim told O GLOBO on 17 July that Brazil does not support any unilateral initiative regarding Haiti.

Amorim said: "We share this impatience regarding Haiti with the rest of the world, but we believe it is necessary to give more time for the effects of the sanctions imposed on Haiti by the United Nations, such as the suspension of airline flights, to begin being felt. Nonetheless, one way or the other, we do not support any unilateral initiative."

The minister asserted that if there has to be a military intervention, Brazil prefers the decision to be made by the UN Security Council and not the U.S. Congress.

Amorim preferred not to comment on the possibility of Brazilian military participation in such an action.

Amorim added: "I do not want to be hasty because haste could create undesirable consequences. The solution, I insist, must be multilateral and, in the case of a military intervention, the decision must be made by the UN Security Council." In addition to Brazil, the news agencies mentioned Argentina, Chile, Jamaica, Barbados, Trinity and Tobago, Guyana, Suriname, Panama, Salvador, Belize, and Honduras.

Franco To Attend Mercosur Summit in Buenos Aires

PY2007040194 Madrid EFE in Spanish 1946 GMT 18 Jul 94

[Text] Brasilia, 18 Jul (EFE)—In a letter sent last weekend to his Argentine counterpart Carlos Menem, Brazilian President Itamar Franco confirmed that he will be present at the Mercosur (Common Market of the South, consisting of Argentina, Brazil, Paraguay, and Uruguay) summit to be held in Buenos Aires on 5 August.

In this letter, the content of which was disclosed today and in which he confirms his presence at the Buenos Aires summit, Franco says that he considers the incident he had with Menem two weeks ago as closed.

Franco himself had questioned earlier his presence at the Mercosur summit, which will define the rules whereby Mercosur will be governed beginning on 1 January 1995; that is, the date when customs unity and a free trade zone will go into effect.

Annoyed by Menem's pejorative remarks in drawing a comparison between minimum salaries in Argentina and Brazil, Franco summoned the Brazilian ambassador in Buenos Aires for consultations and stated that he would not attend the Buenos Aires summit.

On 12 July, upon receiving a letter in which Menem lauds the Brazilian economic stabilization program and invites him to attend the Mercosur summit, Franco considered the incident to be over, but declined to confirm his presence at the summit.

In a letter sent to Menem on 16 July, Franco conveys his satisfaction over the status of the Mercosur negotiations and announces that "with pleasure I accept your invitation to attend the Mercosur summit."

Franco adds: "We have reached a decisive stage in the Mercosur negotiations, a point at which it would be essential to maintain our political commitment to implement a free trade zone and customs unity effective 1 January 1995."

Franco says: "I regard Mercosur as one of the most promising results in the ambitious integration effort at the subregional level initiated by our countries nearly a decade ago, when they decided to build a solid relationship based on mutual confidence and respect."

At the Buenos Aires summit, the four Mercosur presidents will sign agreements focusing on norms that will regulate the free trade zone and customs unity effective 1 January 1995.

These agreements, which are currently being negotiated, include the common external tariff to be levied on imports from non-Mercosur countries, the creation of duty-free zones, outlining of the rules governing origin of products, and incentives for exports.

In their negotiations on the common external tariff, the Mercosur members have agreed on 85 percent of their products, but they have reached a deadlock regarding vital sectors such as capital assets, petrochemical items, informatics, and telecommunications.

Disagreements still remaining in the negotiations make it likely that the date of implementation of the free trade zone will be postponed or the customs unity will begin with several exceptions.

Poll Shows Cardoso Gaining on Lula

PY1907135394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jul 94 Section 1 p 4

[Text] The Real Plan has given impulse to the candidacy of Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party]. The distance separating him from Luiz Inacio Lula da Silva (PT) [Workers Party] has decreased, from 17 percent to 9 percent. Lula now is supported by 34 percent of the voters, and Cardoso by 25 percent.

A Datafolha poll conducted nationwide shows that support for Cardoso has increased after a better evaluation of the economic plan, three weeks after its implementation. Currently only 20 percent of the public believe they can buy less as a result of the economic plan. In the previous poll, which was conducted only five days after the implementation of the new currency, 43 percent of the public feared that their purchasing power would decrease.

Projections for the second electoral round show that in the runoff Lula and Cardoso would both have 43 percent of voters' support. The other candidates still have the same level of support: Leonel Brizola (PDT) [Democratic Labor Party] and Orestes Quercia (PMDB) [Brazilian Democratic Movement Party] with 7 percent each; and Eneas Carneiro (Prona) [Party for the Redefinition of the National Order] and Esperidiao Amin (PPR) [Progressive Renewal Party] with 3 percent. During the poll, which was conducted from 11 to 13 July, 14,022 voters were interviewed in 378 counties nationwide.

Candidates Seek Coalitions for Congressional Base

94SM0401B Sao Paulo GAZETA MERCANTIL in Portuguese 23 Jun 94 p 6

[Article by Eliane Cantanhede and Cesar Felicio: "Candidates Already Working To Form Coalitions With a View to Governing"]

[Text] Brasilia—With the first round of balloting 103 days away and 143 days left until the second round, parties and candidates are already in an advanced stage of preparations for the so-called third round of the presidential election: the installation of the new administration. Winning the election is one thing, but having the political support needed for governing is something else. That is why the favorites in the polls—Luiz Inacio Lula da Silva of the PT [Workers Party] and Fernando Henrique Cardoso of the PSDB [Brazilian Social Democracy Party]—are advancing on the dissident wings of the other parties, especially the PMDB [Brazilian Democratic Movement Party]. More than just electoral support, what they want is agreements in advance to ensure the future administration of a base in Congress.

"Lula knows he cannot govern alone with the PT," admits Deputy Jose Fortunatti (Rio Grande do Sul), leader of the PT in the Chamber of Deputies and a member of the shock troops tackling Greeks, Trojans, PMDB members, and even members of the PSDB in a move that contradicts the PT tradition of opposing alliances and coalitions. "The president may be the best, but if he does not have a solid base to approve his bills in Congress, he is not going anywhere," explains former Deputy Pimenta da Veiga, who is one of Fernando Henrique's campaign coordinators.

The PSDB got a head start by forming a coalition with the PFL [Liberal Front Party], which has the second-largest bloc in Congress, and the PTB [Brazilian Labor Party]. Even so, if Fernando Henrique were president today, he would not be able to govern easily. The PSDB has 48 federal deputies, the PFL 89, and the PTB 29. Together they form a bloc of 166 deputies, or far fewer than the minimum needed by the administration: 252, that being half of the Chamber of Deputies plus one, or, to put it another way, the famous "absolute majority" that keeps all the successive presidents of the republic awake at night. The PT has 36 deputies and expects to double its bloc. But even if it does, it will be a long way from that majority even if, for example, the representatives of the PSB [Brazilian Socialist Party] and the PPS [Popular Socialist Party] are added in.

"The ghost in Congress is the quorum" is the didactic explanation given by attorney Fernando Saboia, legislative adviser to the Chamber of Deputies. He is right, because no vote can be taken without the presence in plenary session of an absolute majority of the congressmen. That rule applies in the Senate and also in the case of symbolic votes. In the latter case, those present are counted and, if there is a minimum quorum, the decision can be made to dispense with a roll-call vote.

Once past the quorum phase, which is difficult and painful in itself, administrations, which are the biggest generators of bills and packages, still need to struggle bravely to win votes. A simple majority (half of those present plus one) is needed to pass administration bills, and an absolute majority (half plus one in each house) is required for complementary laws—those required by the Constitution for regulating, for example, general rules about the financial system or the Office of the Public Prosecutor.

Constitutional amendments require the largest quorum: three-fifths of the Congress. In the case of provisional measures (PM's), a simple majority suffices. "PM's were created precisely to allow administrations to breathe, but essentially, they are not democratic," says Saboia critically. Such measures take effect automatically and can be renewed. "In other words, rules established by the executive branch can be perpetuated without the legislative branch expressing its opinion," he explains.

The successive presidents, along with their various ministers of finance, have always pulled their hair out over the impossibility of moving ahead with plans, making changes, or completing projects in the face of congressional hostility. In the beginning, everything is easy, and the Fernando Collor-Zelia Cardoso duo even managed to confiscate savings. But almost inexorably, time erodes relations between the administration and Congress.

Fortunatti claims that the PT has already extracted a "governability pact," among other things, from the current government leader, PMDB dissident Pedro Simon (Rio Grande do Sul). In other words, if Lula is elected, Simon guarantees that he will do everything he can to ensure passage of bills that the future administration is interested in. But the PSDB is in a bigger hurry: it has won the public support of PMDB members Jarbas Vasconcellos (Pernambuco) and Nelson Jobim (Rio Grande do Sul) for the campaign itself and is expecting the votes of PMDB dissidents in Rio Grande do Sul, Paraiba, Mato Grosso do Sul, and Alagoas. "It's just a question of time," says Pimenta.

He also cites two examples, one favorable and one unfavorable, of administrations and their relations with Congress: Juscelino Kubitschek, who governed with solid support from the PSD [Democratic Social Party] and the PTB and recruited several small parties, managed to gain approval even for the extremely bold idea of building a new capital called Brasilia. Janio Quadros and, three decades later, Fernando Collor chose dwarf-sized parties in preference to the powerful ones, and we saw what happened. Neither man completed his term. The "third round" that is now beginning has that in mind: the need to guarantee in advance the success of the administration's economic plans with neither resignations nor impeachments.

PT Admits It Will Be Minority

Sao Paulo—The PT is already aware that it will govern with a minority in Congress if Lula wins the election. According to the PT leader in the Chamber of Deputies, Jose Fortunatti (Rio Grande do Sul), the party expects to end up with a bloc of 70 federal deputies, or 14 percent of the Chamber of Deputies. It is believed that the other parties in the Popular Brazil Front (the PSB, the PCdoB [Communist Party of Brazil], the PCB [Brazilian Communist Party], the PSTU [United Workers Socialist

Party], the PV [Vanguard Party], and the PPS) will be able to elect 20 deputies between them. To guarantee governability, according to Fortunatti, it will be necessary to put together a coalition government with the PDT [Democratic Labor Party] and sectors of the PMDB and PSDB. "We must have the support of about 180 federal deputies," the party leader says. That number includes approximately 40 deputies in the PMDB, 20 in the PSDB, and 30 in the PDT.

The remainder needed to get administration bills passed in the Chamber of Deputies will be obtained by means of case-by-case agreements that will be renewed with each bill that a possible Lula administration submits to Congress.

Incidentally, Lula's willingness to govern in a coalition dates back to the start of the campaign, according to Senator Eduardo Suplicy (PT, Sao Paulo).

"Since the start of the year, Lula has been holding talks for that purpose, initially with the national leadership of the PSDB and now with individual members of that party and the PMDB," he said.

The basic work, according to Luiz Dulci, member of the PT's National Executive Committee and municipal secretary of Belo Horizonte, has been done. "No one has noticed, but the PT is supporting the gubernatorial candidates of other parties in eight states. This means that work to form alliances for a Lula administration is not going to start because they are already being formed with the PDT and the PMDB," this newspaper was told by Marcio Aith.

Background of PT Vice Presidential Candidate

94SM0401A Sao Paulo VEJA in Portuguese 8 Jun 94 pp 38-39

[Article by Expedito Filho: "Lula's 'Alpic' Vice President"; introductory paragraph in italics as published]

[Text] *Theatrical and temperamental, Bisol is campaigning in a messianic tone and talking about albescent alamos.*

Senator Jose Paulo Bisol (Rio Grande do Sul), the vice presidential candidate on the Luis Inacio Lula da Silva ticket, has his similarities with Fernando Collor's vice presidential candidate, our current president of the republic, Itamar Franco. Like Itamar, Bisol is temperamental. Itamar once threatened to resign from the presidency. Bisol once talked about resigning from the Senate. Like President Itamar, Bisol finds it easy to create incidents and enemies. They both see nonexistent plots and have a faultless reputation for honesty. They both write poetry. Itamar hides his verses. Bisol recites his at political rallies. He loves difficult words and proparoxytone rhymes. The big difference between them is that one is shy and the other is an exhibitionist. Itamar accepted the post of vice president on the Collor ticket to escape unemployment. If Lula is not elected president, Bisol will be unemployed. His term as a senator ends this year, and if he loses, he will go home.

Bisol is a politician with a name that sounds like a brand of medicine (Gelol, Tylenol, or Colubiasol). But at his greatest political moment, he was more the cause of illness than its cure. At the end of November last year, Lula's vice president caused an outbreak of fever in Brasilia when he emerged from the home of a director of the Odebrecht construction firm shouting that he had discovered a pile of papers proving the existence of what he said was a "parallel government that dominates the chief dimensions of national power." Meanwhile, Deputy Aloisio Mercadante of the PT [Workers Party] was chatting with Minister of Army Zenildo Lucena. It later turned out that the fever was restricted to Bisol's own brain. The papers in question did not point to anything or anyone—they were simply Odebrecht's organization chart. And the senator, who has a penchant for Don Quixote-like gestures, ended up colliding with the windmills of noncredibility. Former President Jose Sarney even asked that his political rights be revoked for offenses against congressional decorum. Deputy Miguel Arraes, smeared with the accusation that he was receiving an alleged monthly allowance of $30,000 from the construction firm, broke with the party ally, the PSB [Brazilian Socialist Party], and fought as hard as he could to get Bisol removed from the Lula ticket. "He is unbalanced," says Arraes. "Bisol lives on emotion," says Senator Jarbas Passarinho. "The problem is that his emotions sometimes muddle his judgment."

"Theatricalness"—It may be a matter of coincidence or curiosity, but Bisol loves books on psychiatry. At the end of last year, VEJA described his behavior on the CPI [congressional investigating committee] as hysterical. The senator defends himself by opening the pages of the book *Los Estilos Neuroticos (Neurotic Styles)* by psychiatrist David Shapiro. "Hysteria is associated with a lack of concentration, difficulty in storing facts, and theatricalness," he explains. "I have only one symptom: theatricalness." Ever since 1986, when he first became a senator, Bisol has also been worried about an insinuation: that he is a closet gay. He gesticulates in a delicate manner. He lisps and has a habit of prolonging some words the way women do, with a sort of sigh while pouting. For example, instead of saying "Odebrecht," he pronounces it "O-day-bre-sh-sh-shee." But Bisol has been married to Iolanda for 38 years and has three children and seven grandchildren.

He won his first elected position, as state deputy in 1982, by the easiest and fastest route—television fame—and was then elected senator in 1986 under the PMDB [Brazilian Democratic Movement Party] cruzado banner. In the 1980's, he had a spot on the Rio Grande do Sul version of the now extinct "Women's TV" program, where he dealt with matters of interest to women. In 1986, during his campaign for the Senate on a PMDB factional list (the election rule that allowed a party to run two candidates), an opposing deputy used his allotted time on TV to relate a witticism making the

rounds of the bars: "This factional list business may cause mistakes. It is more or less like aiming at a lion and hitting a deer." The "lion" was the first candidate named on the factional list. Depressed, Bisol asked for a psychiatric examination and agreed to submit to an expert evaluation. Now he himself is announcing the conclusion: "I am a rare case. I don't use drugs and I have never had sexual relations with animals or people of my own gender," he says.

After being confirmed at the PSB [Brazilian Socialist Party] Convention held on Sunday the 29th, Bisol is not as rare a candidate as he thinks he is. He made his debut in the campaign by sinking to the lowest pure messianic level. In a speech, he compared Lula "to the abandoned Moses," who freed the Jewish people, and to the "carpenter's son Jesus," who saved mankind. "My heart points to Lula as the savior of the Brazilian people." Speaking at a political rally for farmers in Brazlandia on Thursday, the senator reached new heights of highfalutin speech—the appropriate method of impressing an audience without saying anything logical. Here is one passage:

"We are translucent like the cerulean water in that lake before you. If you elect Lula, you will have the inauguration of a new fatherland. Lula is predestined. He has swallowed a star, and that star has descended into his heart and set fire to his soul!"

On another occasion, during a meeting with intellectuals, Bisol recited one of his favorite poems, titled "The Alamos." Here are a few verses:

"There is gentleness in us And not in the Alamos, Alex, There is gentleness in the psalms And there is gentleness in the dialogues Of our Alamos Innermost Alamos That wish they were alpic Alamos And are only innermost Alamos Sow wings of Alamos Alex, So that the Alamos With soul Will sing of All the albescent somethings Of the moment.

"I have requested an official investigation"—Since no one had a dictionary handy, there was no way to discover immediately that "alpic" refers to the Swiss Alps and that "albescent" means "whitened" or "whitish." One typical spoilsport asked Lula if at least he knew what an "alamo" was (it is an ornamental tree [the poplar]). Lula became irritated and did not answer. People wanted to know who Alex was. He is a person invented by Bisol to rhyme with "Alamos." "At one time I was said to be the great young poet of Rio Grande do Sul," Bisol says proudly. Now 65 years old and the son of settlers, the senator was trained in journalism and law. He was a judge in Rio Grande do Sul's interior and retired as a judge on the State Court of Justice. He receives a pension of 3,237.79 URV's [real units of value] per month in addition to the 5,000 URV's he receives as a senator. He has written two books: *Quero Chamar-te Patria (I Want To Call You Fatherland)* (a collection of newspaper articles) and *Sim a Vida (Yes to Life)* (a book of poems). He was in the theater when he was a young man and even played alongside the great Walmor Chagas.

Just as the Lula of 1994 is bigger than the Lula of 1989, so the Bisol entering this race to determine Itamar's successor is a better known politician than the senator in the last campaign, when his presence as vice president caused perplexity. In 1994, aware that opponents will devote the next few months to seeking campaign ammunition, Bisol took a step on his own. "I have requested an official investigation of myself by the Federal Revenue Office and the Bank of Brazil, and the results will be provided to anyone who wants them," the vice presidential candidate says. What existed against Bisol last week was the accusation that he used his influence to help his brother Dirceu, whom he hired to be his chef de cabinet in the Legislative Assembly in Porto Alegre when he was state senator. Brother Dirceu took the job, retired with a pension, and was later rehired for the same job, thus receiving double pay for doing only one job until he finally retired for good. "Everything was legal," the senator says. It may be legal, and it is certainly a minor matter. But coming from an athlete in the field of ethics, it is inconsistent, to say the least.

Composition, Political Dynamics of PT Surveyed

94SM0400A Sao Paulo VEJA in Portuguese 15 Jun 94 pp 38-45

[Unattributed article: "The PT Shines and Also Instills Fear"]

[Text] Founded 14 years ago during a gathering of union members, intellectuals, and leftists at a chicken-and-polenta restaurant in Sao Bernardo do Campo, the Workers Party in 1994 is like a star that both shines brightly and frightens the observer. Luis Inacio Lula da Silva, its standard-bearer and top leader, is running for president of Brazil and polls show that more people intend to vote for him than for all of his opponents put together. Last week, Ibope [Brazilian Public Opinion and Statistics Institute] gave him 39 percent of voter preferences, compared with 17 percent for Fernando Henrique Cardoso. With some 50 mayors in city halls all over Brazil, the PT has a 37-member delegation in Congress. It had less than half that four years ago, and conservative estimates indicate it may emerge from October's elections with 70 seats. Lula was the runner-up in the 1989 election, when he waged an underfunded campaign. Now, five years later, the PT has budgeted $30 million for its campaign. Businessmen who in the 1970s would call on the PM [Military Police] to beat up strikers and who in 1989 filled the theft-ridden coffers of Fernando Collor have reached the conclusion that it is smarter to befriend the PT candidate than risk displeasing a potential president of the Republic.

[Box p 38]

The PT in Figures

- 700,000 members

- 120,000 militants
- 2,304 municipal headquarters
- 53 city halls, four of them in state capitals (Belo Horizonte, Porto Alegre, Goiania, and Rio Branco)
- 77 state deputies
- 1 senator
- 46 federal deputies
- 1,400 aldermen

Lula is not a candidate who soothes people. Arm-in-arm with the CUT [Sole Workers Center] and the Landless People's Movement, the PT is a party that people associate with the idea of disorder. If Lula wins, the country's social temperature may rise, with strikes and "invasions" of land on an unprecedented scale. Nor do we know how Lula will have enough political clout to govern, because even if he doubles his delegation in Congress, his party will be in the minority and it is swimming against the tide of the dominant ideas in Brazil, and even in the world, which makes it hard to find allies with which to form a government. The PT opposes the privatization of state enterprises and its platform suggests it may renationalize companies already divested. It says it plans to stimulate job creation by withdrawing funds that are being warehoused on the financial markets—which would be possible only by a market intervention of a "deadbeat" sort.

"Almost a Military Organization"

The *petistas* like to remind people that when FHC took over as finance minister, he asked people to forget everything he had written. We must recognize that the PT has memory lapses, too. For example, the party abandoned its historical proposal to put a moratorium on repaying foreign debts. Now it is trying to walk a tightrope on this issue. It says it will comply with agreements already signed, but at the same time says it will pressure the international bankers to renegotiate them. A crucial political fact also makes people wonder.

The clearer Lula's advantage in the polls, the cloudier are the outlines of his potential acts as president. Increasingly concerned only with holding onto its lead at any price, the PT prefers to remain silent about the Real Plan, which as of 1 July will pump up the *tucano* candidacy of Fernando Henrique Cardoso. Silence is an old trick on the campaign trail. If the *real* turns out well and the inflation rate drops, Lula will say he plans to perfect it with a package of great ideas. If it goes wrong, he will denounce it as an election-year swindle.

"Lula is an excellent candidate for president," says former Bahia Governor Antonio Carlos Magalhaes, who is working for Fernando Henrique's campaign. "He has become a symbol of the desire for change. The problem is, Brazil has elected symbols like that before: Fernando Collor in 1989, and Janio Quadros in 1960." Feared by opponents, who until very recently preferred to court it as a party as charming as it was harmless, the PT is the main target of campaign artillery. PMDB [Brazilian Democratic Movement Party] candidate Orestes Quercia once called it "fascist." Fernando Henrique Cardoso says that if Lula is elected, his party will lead Brazil into a climate of "land in anguish," an allusion to Glauber Rocha's masterpiece that transformed into cinematographic fiction the final days of the Joao Goulart government. General Octavio Medeiros, Reserve, who headed the SNI [National Intelligence Service] during the Joao Figueiredo government, broke his silence recently to make a prediction: "If Lula wins, it will not be on his own merits. It is the PT that will win. It is almost a military organization. No one can defeat it."

"First, they said: 'Lula—it won't work.' Then they said: 'With those advisors of his—it won't work.' Now they say: 'With the PT—it won't work.' Pretty soon they'll be saying: 'With the Brazilian people the way they are—it won't work,'" observed Professor Marco Aurelio Garcia, Lula's chief campaign advisor. The PT has a history unique in Brazilian politics. It was born neither of conspiracies in Brasilia nor splits in traditional parties like the PFL [Liberal Front Party] and PPR [Progressive Renewal Party], twin sons of the old ARENA [National Renewal Alliance] of the military regime, or the PSDB [Brazilian Social Democracy Party], which grew out of dissidence in the PMDB. But to confuse the PT of 1994 with the chicken-and-polenta party would be as misguided as to forget that now Lula wears a suit and tie rather than his Villares machine-shop coveralls. There are even more remarkable changes. Like that of former Mayor Luiza Erundina, who looked like a PMDB follower when she governed Sao Paulo, but chased with the eagerness of a PFL member after a cabinet post under Itamar Franco, was dismissed in humiliating fashion, and then came back to the PT fold as if nothing had happened.

Businessman-Candidate

There are examples of transformations all over Brazil. In 1980, a group of medical students from Ribeirao Preto, a prosperous city in the interior of Sao Paulo State, founded a PT chapter in that city. Fourteen years later, the former students have graduated, gotten fatter, started families, and established practices. Many have left the city. One of these students stayed in Ribeirao Preto and in the PT. Antonio Palocci Filho, 33, has been an alderman, state deputy and, since 1992, mayor of that city. A former member of the trotskyite faction "O Trabalho," he now holds much more moderate ideas. Palocci has his hands full with the city's accounts, the technological innovations at the phone company (which is city-owned and turns a profit), and city employee salaries. "Ten years ago I could never have dreamed I would be in this spot someday," Palocci said. "I got involved in student politics to protest the military dictatorship. How could I have thought about becoming mayor?"

In 1983, Professor Lygia Pupatto was teaching botany at the State University of Londrina when she decided to take a more active role in a campaign for pay raises. A gifted speaker with clear ideas, she began a career as

union activist. Two years ago the PT won the mayoralty race in Londrina and Lygia won a seat on the city council. She worked harder than ever and hardly had time for her two daughters, one of whom was on the Brazilian Olympic gymnastics team. After spending a year and a half on the other side of the table, the alderwoman believes the PT is starting a long apprenticeship. "We learned to talk about conflict between capital and labor," she said. "Now we are having to understand the conflict between labor and work. It's when you have to make a hard choice between paying your employees well and setting aside funds for improvements on the outskirts of the city."

In Goias, the PT candidate for governor is businessman Luiz Antonio Carvalho. He is not a toy manufacturer, like Sao Paulo's Oded Grajew, one of Lula's personal advisors. Owner of a group of companies that includes two automobile dealerships, an insurance company, and Coplaven—the country's sixth largest automobile consortium-purchase plan—Carvalho has sales of $9 million a month and employs 850 people. He employs a management style under which employees are rewarded for their performance and are entitled to elect a representative who has both a voice and a vote on the board of directors. A former employee of Bank of Brazil and former union president, Carvalho makes sure that his employees earn, on average, 20 percent more than those on his competitors' payrolls. Even so, he entered politics cautiously. Four years ago all he did was try, unsuccessfully, for a seat in the state legislature. "In 1990 I was reluctant to get out and campaign because people saw me as a fish out of water. Now I feel comfortable," he said.

Botafogo and Gandhi

The PT that carries Lula on the campaign trail is a confused party that does not know quite what it wants. One that has radicals, moderates, communists, and Catholics, students who have become mayors, union members who have won legislative seats, workers horrified about the possibility of someday having to go back on the production line. It has something, however, that is missing—and very much so—in other Brazilian parties: life. In the PT there are arguments, contradictions, altruistic militants, rather than a fistful of bosses and paid ward heelers. But not even the PT is free of the plague of excessive use of patronage. After winning mayoral races in three state capitals in 1988, thousands of government jobs opened up that permitted the formation of an internal bureaucracy composed of professional leaders who first guarantee themselves employment in a party job, then are rewarded with a position of trust in an administration. In 1990, a survey was made of the delegates to a national PT conference. It was found that 11 percent of them held positions of trust in the legislative or executive branches, and 28 percent were active in unions and grass-roots movements. Two years later, the survey was repeated at a party convention. Holders of positions of trust had risen to 17 percent, and the militants associated with unions and community associations had fallen to 17 percent. At the same time, the PT's base among civil servants and teachers had expanded greatly.

Of the 36 deputies in its delegation in Brasilia, 11 are unionists. Another five are laborers who were never landless but know how to wield a hoe. And one deputy, Benedita da Silva, candidate for the Senate from Rio, was elected by the votes of militants in neighborhood and shantytown movements. The others are politicians who closely resemble the conventional model. Helvecio Castello, of Espirito Santo, owns a notary office. Pedro Tonelli, of Parana, is a rural landowner. Eduardo Jorge, a physician, was once beaten by the police when he was an activist in neighborhoods on the outskirts of Sao Paulo. At the most recent national PT conference, he wore a t-shirt bearing the name of a soccer team, Rio's Botafogo, when he took the microphone to make a pacifist speech in which he even quoted Mahatma Gandhi, leader in the independence of India.

"Dictatorship of the Badge"

The PT's delegation in Congress is comprised neither of geniuses nor of charlatans. It has Jose Genoino, recognized as one of the most competent men in that body, a healthy fistful of mediocre deputies, and even a monarchist—Joao Paulo Pires de Vasconcellos, from Minas Gerais. The PT delegation loves to make headlines in the papers and has a network of spies who ferret out improprieties that could be added to the party's dossiers on opponents. The best thing about the PT delegation is that it does not have the same flaws as the others. Its members have never been caught committing improprieties and their names do not show up on the construction contractor's lists. The only reported case of corruption is that of Ricardo Moraes, of Amazonas, who was dismissed from PT ranks after an internal investigation.

"Here we have the dictatorship of the badge," said Deputy Jose Genoino. "If you want influence in the party, you have to have a vote." Founded on the classic structure of the parties of the left, the PT was built up from militant grass-roots units grouped by neighborhood, workplace, or occupational category, each with a quorum of nine people. The chapters have experienced periods of greater glory when they had dozens of members and marched through neighborhoods and marketplaces on populist campaigns. Now they are ebbing and, except for election years, most cannot round up enough members for more than one regular meeting a month. Even so, there are chapters comprised of residents from Rio de Janeiro's South Zone, or Ford workers at Autolatina, or public-school teachers in Belo Horizonte. There are also chapters within social movements, such as gays, blacks, and women. "I think I am growing and expanding my knowledge," said Paula Louzado, 24, who is studying education at USP [University of Sao Paulo] and has been in the PT for three years. Recently she met with other students at PT headquarters. They discussed

minor issues such as the date and place for another meeting, but also talked about national topics.

"The PT is the only party that pays any attention to Black issues," said Flavio Rodrigues, a forty-year-old from Sao Paulo who sports a beard, mustache, and dreadlocks. He has been active in the PT since 1982, is a civil servant, and rides the bus to work. Every Wednesday night a group of young people from Pinheiros, in the West Zone of Sao Paulo, meets for a political debate. At a recent meeting they talked about the legacy of Cuban dictator Fidel Castro. "Castroism and Stalinism are very close to each other," observed Leonardo Crochik, 16, a high school sophomore. "I disagree," retorted Janaina Stedile, 15, daughter of Joao Pedro Stedile, national coordinator of the Landless People's Movement. "You cannot discount Fidel's experience. Then Bernardo Guimaraes, 21, a student at the Polytechnical School of Sao Paulo, interrupted to say "I think Fidel's time has passed," he said. Attending interminable debates every week seems like something a religious group, literary circle, or gourmet cooking club would do. To outsiders, nothing could be more boring. To those who like it, it is a delight.

Unique Personality

Signing a party membership card means being required to attend chapter meetings and asked to give up one percent of one's net salary every month. The majority, however, do neither. The PT likes to say that about 100,000 members are paying their party dues every month, but the actual figure is much lower. Adding up all its known sources of income, the PT takes in a half million dollars a month. On the list are 1,500 legislators—from aldermen to federal deputies, with just one senator, Eduardo Suplicy—who are required to give 30 percent of their salaries to the party, and employees in positions of trust, who contribute 20 percent. According to the official math, the PT is not a wealthy party, but neither does it go begging. Of its 2,300 municipal directorates, 800 operate out of their own buildings. The national directorate, located in Sao Paulo, spends $60,000 a month on rent, telephone bills for eight lines, plus 15 computers and two vehicles. The salaries of its staff are nothing special, but they exceed the minimum. There are 12 employees at the directorate, earning salaries of $200 to $730 per month. Nine directors paid by the party get $850 a month each. Lula is entitled to a car and driver, plus a 100 percent bonus, which gives him $1,700 a month—almost triple the average wage of a skilled metal worker in the ABC [refers to the three industrial areas of Sao Paulo].

The PT has some traits that do not change. Leonel Brizola's PDT [Democratic Labor Party] is the only reason the PT is not the most personality-driven party in Brazil. Lula has always been the star of the PT. Since then, the party has not produced a single national figure of the same stature. Within the PSDB nest, if Fernando Henrique Cardoso were not the candidate for president, the *tucanos* could nominate Senator Mario Covas. Even the PMDB of Orestes Quercia, perpetually in crisis, could call on former President Jose Sarney to run. Even Paulo Maluf's PPR found an alternative in Senator Esperidiao Amin, who is stuck at 3 percent in the polls.

The PT could perhaps not even find an Amin. Structured from north to south, the party has supporters in all states and a much greater than average popular appeal. If not for Luis Inacio Lula da Silva, however, it is very doubtful it would have the same electoral strength. In Sao Paulo, its birthplace, the PT candidate for governor Jose Dirceu is in next-to-last place with 5 percent in the polls. In Rio, Jorge Bittar, is skating around in third place, with 13 percent. In Rio Grande do Sul, former Mayor Olivio Dutra is hailed as a heavyweight because he is in second place with 26 percent behind the PMDB candidate, former Minister Antonio Britto. The PT has participated in general elections since 1982, but in the three of them in which 74 state governorships were at stake, has not been victorious even once. In 1992, its best performances were in Acre and Amapa States. In the 1994 campaign, Vitor Buaiz, a physician from Espiritu Santo, is the only [candidate for governor] who ranks first in the polls.

Bolshevism and Reformism

The chance that Lula might move into Planalto Palace in January 1995 has helped make a lot of money for consultants, pundits, and ad hoc prophets. High-flown predictions are made and confidential reports written with the intent of x-raying the candidate and the PT. Naturally there is curiosity, since never in the history of Brazil has a party so clearly of the Left been so close to getting elected. The situation cannot even be compared to the nationalist Getulio Vargas of 1950, or even to Joao Goulart, the adventurer brought into Planalto Palace after Janio's resignation in 1961. If it were what it is not—a Bolshevik party—the PT would be mobilizing the masses for a revolutionary takeover—the presidential campaign would be a mere pretext. Its platform would be sketching out the best way to expropriate capital, carry out a socialist division of private property, and lay the groundwork for the five-year plan that would inaugurate the era of centralized planning in Brazil.

Instead, the PT is a confused-reformist party that pleases both the multitudes of the miserable and the impoverished sectors of the middle class, all of them ready to say "no" to the customs and usage of Brazilian politics. Its biggest problem may be its relationships with the democratic institutions. Never, for example, has anyone heard a word from Lula in praise of, or even in defense of, the Congress. On the contrary, he is the author of the vulgar generalization that there are "300 con men" in the Congress. He was also the source of the idea that one need not submit to "unjust" laws, such as the one that prohibited his use of a union sound truck. Since the Congress and the law are part of democracy, Lula seems to want to be thought as being above them.

That antidemocratic arrogance sometimes changes after a politician is elected. When she ran the city of Sao Paulo, which has one of the three largest budgets in Brazil, Luiza Erundina was a model of austerity and order, to such degree that when she left office she had more critics in the PT than in FIESP [Sao Paulo State Federation of Industries]. It was also a mediocre PT administration, lacking imagination, which could not elect a PT successor. Meanwhile in Porto Alegre and Santos, the governorships of Olivio Dutra and Telma de Souza were applauded, and their party triumphed in the next elections.

Two possible alternatives for a Lula government are being discussed behind the scenes by the PT leadership, in case he really does make it to Planalto Palace. The first is to imagine that it will be able to administer the country as Willy Brandt did in the Germany of the 1970's. A social democrat, Brandt followed his ideas to the letter and consolidated the implantation of the German welfare state. The other hypothesis is the Argentine case—what happened when Carlos Menem was elected president. Although victorious at the ballot box with support from the Peronists, Menem turned his back on them and immediately began amicable negotiations with international bankers. He did everything that the Peronist handbook says a president would never do. He dealt a death blow to nationalism, implemented a radical opening of his economy to the outside world, privatized most of the state enterprises and adopted the dollar as legal tender in that country. Lula's biography is not that of either Willy Brandt or Menem. And he has done everything possible to shroud his ideas in mystery, in a Messianic climate that stifles political debate and projects him as the reincarnation of the father of the poor.

[Box, pp 40-41]

The Constellation of Lula *What are the factions within the party?*

- **Unity and Struggle**: This faction accounts for 30 percent of the members, 15 of the 36 deputies, and most of the 53 PT mayors. This is Lula's group, and includes Deputies Aloizio Mercadante and Jose Dirceu. It defends the foreign debt agreements, maintenance of state enterprise monopolies, and civil servant tenure.
- **Option on the Left**: This contingent includes party President Rui Falcao. It dominates the PT machine, has nine deputies, and the mayor of Santos (SP). It includes the subfactions "Socialist Democracy" and "Hour of Truth" which, together, account for 32 percent of the party. It advocates revisiting the privatizations already completed, maintenance of the monopolies, and nationalization of the transportation sector.
- **In the PT Struggle**: This is the radical faction.It represents 22 percent of the party and is comprised of four groups: the trotskyite faction "O Trabalho"; Movement for a Marxist Trend, heir to other leftist organizations; Inland Forum, made up of militants from the interior of Sao Paulo state, and Socialist Force. It has three deputies and does not countenance alliances forged with more centrist groups for purposes of governing such as, for example, a compromise with the FSDB if Lula were to win the election. This is the faction to which Markus Sokol, the party's communications secretary, and Sao Paulo State Deputy Ivan Valente belong.
- **Radical Democracy**: This faction represents 10 percent of the party, three deputies, and the mayors of Porto Alegre, Londrina, and Rio Branco. Its leader is Deputy Jose Genoino. It is so moderate that it looks more like a *tucano* group. It advocates an end to civil servant tenure and a broad alliance to support a potential Lula government.
- **The Independents**: These are the so-called "non-aligned" who vote with one or another faction, depending on the issue, and represent 5 percent of the party. Six deputies and Senator Eduardo Suplicy are considered to be independents.

[Boxed profiles pp 44-45]

Chatterbox

ALOIZIO MERCADANTE, 40, an economist and federal deputy from Sao Paulo, is the star of the PT delegation that shines the brightest when next to Lula. He is the candidate's chatterbox. Member of the *Unity and Struggle* faction, he has his hands full coping with the PT radicals. He has supported all the economic plans since Sarney's Cruzado Plan. "It is similar to what we might do," he even said in 1990, approving the plan that confiscated the nation's savings accounts.

Will Vote At 40

MARKUS SOKOL, a native of Poland, will vote for the first time in October. Although he has lived in Brazil since childhood and is married to a Brazilian, it was not until three months ago that he was naturalized. At the age of 16 he was already living underground because he had taken part in armed resistance to the military regime. Since age 20 he has been a trotskyite leader. He is the PT's communications secretary and is a coordinator of the campaign.

Leader of the Splinter Group

State Deputy RUI FALCAO, of Sao Paulo, won the party presidency at the most recent National Conference, in May. Holder of a law degree, he has never practiced law. He worked as a journalist in the Sao Paulo media and has been on the PT board since 1983. Last year he led his group's split from *Articulacao* (now known as Unity and Struggle) because he felt that the party leadership was moving away from its base.

Metalworker Priest

GILBERTO CARVALHO, 43, is secretary-general of the national PT. He attended seminary for 12 years and is the Church's man in the party leadership. He shares that

role with Frei Betto. In 1983, he became so enthusiastic about liberation theology that he left the seminary to go and live in a shantytown and work as a welder in a metalworking firm. Carvalho hopes the Lula administration "will be the mark of a new state of mind."

Lula's Fireman

Historian MARCO AURELIO GARCIA, a professor on sabbatical from UNICAMP [Campinas State University], is the PT's international affairs secretary and one of the men closest to Lula. He is the link between the PT and the intellectuals. He also takes care of putting out fires. He was the one who calmed the Catholic cardinals when the PT announced the initial version of its platform, containing proposals that favored abortion and homosexual marriages.

Cursed Reformist

Deputy JOSE GENOINO, 48, has won prestige in Congress as one of the most effective strategists, but is cursed within the party. A former guerilla, he won his first term as a radical. Then he reconsidered his Marxist positions and now leads the moderates. "If I want to reform the world, I will have to accept the challenge of becoming reformed myself," said Genoino, a former farm worker from the interior of Ceara State.

Exports Increase 32.35 Percent in May

94SM0401C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 94 p B12

[Article by Carlos Franco: "Exports Increase 32.35 Percent in May"; introductory paragraph in italics as published]

[Text] *Sales amounted to $3.86 billion, bringing the five-month total to $16.37 billion.*

Rio de Janeiro—Brazilian exports totaled $3.86 billion in May, marking a jump of 32.35 percent over the same period last year and setting a record in the historical series for that month, according to data released yesterday by Secretary of Foreign Trade Jorge Chami Batista.

What this means is that total Brazilian exports for the past five months came to $16.37 billion, or 7.81 percent more than in the same period of 1993. In Batista's opinion, a growth rate of 10 percent for the first half of the year "will be quite favorable."

The secretary also pointed out that the effects of the measures adopted by the economic team for exempting exports from taxes and accelerating legal action to punish dumping practices will not make themselves felt until the second half of the year. Concerning the performance of exports after the real is introduced, "it is still too early to make a prediction." According to Batista, everything will depend on the performance of imports, the latest data on which are to be published by the Central Bank in the middle of the month.

Batista also said he was optimistic about the performance of Brazilian sales to Argentina, since they were up 24.10 percent compared to the first five months of last year. In his opinion, those sales are not due solely to the foreign exchange situation. "Argentina is growing, and those sales also reflect the purchase of machinery and equipment." That result in our foreign trade with Argentina compensated for the drop of 14.53 percent in Brazilian sales to Japan between January and May of this year.

Increased Sales: Brazilian Exports in May (in millions of dollars F.O.B.)

	May		Change	January-May		Change
Description	1994	1993	(percent)	1994	1993	(percent)
Commodities	1,089	811	34.28	3,867	3,634	6.41
Industrialized products	2,728	2,085	30.84	12,323	11,460	7.53
Semimanufactures*	600	416	44.23	2,450	2,235	9.62
Manufactured goods*	2,128	1,669	27.50	9,873	9,225	7.02
Special transactions	45	22	104.55	183	93	96.77
Total	3,862	2,918	32.35	16,373	15,187	7.81

* Semimanufactures and manufactures equal industrialized products.

Source: Secretariat of Foreign Trade, Ministry of Industry, Trade, and Tourism.

In the case of commodity exports, according to the data released by Batista yesterday, a comparison of the first five months of this year with the first five months of last year shows that the highest growth rates occurred in the case of soybeans (58.22 percent) and raw coffee and coffee beans (34.93 percent). That made up for declines in iron ore (0.98 percent) and leaf tobacco (38.40 percent). In the case of industrialized products, and on the same basis of comparison, the outstanding increases concerned orange juice (up 48 percent) and auto parts and components (up 17.77 percent).

The biggest declines in sales of industrialized products, again comparing the period from January to May 1994 with the period from January to May 1993, concerned flat rolled iron and steel (24.37 percent) and unwrought aluminum (14.28 percent).

International Reserves Total $38 Billion in April

94SM0401D Brasilia CORREIO BRAZILIENSE in Portuguese 21 Jun 94 p 13

[Article: "Brazil's Reserves Total $38 Billion"]

[Text] Our country's international reserves in April totaled $35.08 billion in available gold and foreign currency and $38.28 billion including medium- and long-term credits owed to Brazil. There was an increase of $2.78 billion in available reserves, while in terms of international liquidity, the increase was only $7 million compared to March.

The reason is that April saw the payment of guarantees (bonds) totaling $2.88 [not further specified] and acquired for the purposes of the agreement for refinancing the foreign debt owed to international private banks.

In terms of liquidity, reserves amounted to $38.282 billion in March and totaled $38.289 billion by the end of April.

The increase in reserves is explained in an announcement by the Central Bank as being due to the fact that foreign funds attracted in April were 30.4 percent higher than in March, totaling $931 million thanks to a 54.5-percent increase in the issue of securities by banks and Brazilian firms and the inflow of $352 million in fresh money under the terms of the foreign debt agreement. In addition, imports fell by 23 percent, while early payments for exports dropped by 4.6 percent.

Roundup of Economic Reports

PY1507175194

[Editorial Report] The following is a compilation of reports on economic activities monitored through 14 July.

According to Brazilian Institute of Geography and Statistics (IBGE) figures, the Expanded Consumer Price Index (IPCA) inflation rate measured in Real Value Units (URV's) totaled 2.43 percent in June, 1.64 percent higher than in May, when it remained at 0.79 percent. The accumulated IPCA inflation rate in URV's from January to June totaled 5.76 percent. The IPCA takes into consideration families with an income of from one to 40 minimum salaries. The highest increases occurred in Salvador, with 3.24 percent; and Rio de Janeiro, with 3.22 percent. The lowest increase was registered in the Federal District, with 1.14 percent; followed by 1.39 percent in Belo Horizonte; 1.60 percent in Goiania; 1.64 percent in Curitiba; 2.23 percent in Recife; 2.42 percent in Fortaleza and Porto Alegre; 2.66 percent in Sao Paulo; and 2.71 percent in Belem. The IBGE added, however, that the National Consumer Price Index (INPC) inflation rate for the month of June as measured in URV's totaled 2.93 percent, while the accumulated INPC inflation rate in URV's from January to June totaled 6.05 percent. The INPC takes into consideration families that have a monthly income of from one to eight minimum salaries. The highest INPC increase was registered in Rio de Janeiro, 3.63 percent; and the lowest in Belo Horizonte, 1.53 percent. In Recife it totaled 2.08 percent; in Curitiba 2.3 percent; in Porto Alegre 2.39 percent; in the Federal District 2.58 percent; in Goiania 2.93 percent; in Fortaleza 3.18 percent; in Salvador 3.30 percent; in Belem 3.35 percent; and in Sao Paulo 3.49 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 1818 GMT 14 Jul 94)

Through Circular 2449 the Brazilian Central Bank today increased to $50 million the limit on dollars each bank can hold for its exchange operations. Amounts over this limit are compulsorily obliged to be deposited in the Central Bank, and will be paid interest at the London Interbank Offered Rate. Previously, the limit was $10 million. According to Alcindo Ferreira, head of the Central Bank Exchange Department, the Central Bank is thus giving the banks the possibility of keeping more foreign currency in their possession and using it in transactions abroad, where it can yield more profit than it can in the Central Bank. He added that through this maneuver the Central Bank will reduce the supply of dollars on the market without exerting pressure on the monetary base. "If the Central Bank does not purchase, it does not have to issue money," Ferreira explained. (Sao Paulo AGENCIA ESTADO in Portuguese 2149 GMT 14 Jul 94)

The Federal Government Domestic Public Debt decreased by 5 billion reals during the first few days after the implementation of the new currency, as a result of the transfer of funds from financial investments into demand deposits and cash in the pockets of the public. According to Alkimar Moura, director of monetary policy at the Central Bank, at the end of June the total number of federal certificates in the hands of the public amounted to 59 billion reals. Currently they total 54.9 billion reals. (Sao Paulo AGENCIA ESTADO in Portuguese 2249 GMT 14 Jul 94)

According to the Brazilian Association of Building Savings and Loan Companies, ABECIP, 1.08 billion reals were deposited in savings accounts in June. This represents a balance of 26.5 billion reals deposited in savings accounts by 30 June, which is 6.72 percent more than during the previous month. This is the second greatest savings deposit total on record for this year. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jul 94 Section 2 p 3)

Mauro Rodrigues, chief of the Secretariat of Planning and Coordination of the Presidency of the Republic, has reported that although the World Bank and the Inter-American Development Bank (IDB) placed $2.3 billion at the disposal of Brazil during 1993 to carry out state and municipal projects, Brazil has withdrawn only $900 million. In the past 8 years the two banks have approved $22 billion worth of projects for Brazil, of which only $12 billion need matching funds. As all this money

remains available to Brazil, whether or not it is withdrawn, in 1993 the country had to disburse $2.6 billion to pay interest, loan fees and commissions, and amortization on debts contracted with the IDB and the World Bank. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jul 94 p B5)

Chile

Control of Travelers From Argentina Tightened

PY2007015694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1657 GMT 19 Jul 94

[Text] Santiago, 19 Jul (AFP-NA)—The Chilean Carabineros and the Investigative Police are maintaining "closer" control over travelers who come by land and air from Argentina after the attack that destroyed the Israeli association building in Argentina yesterday, causing 28 deaths.

The report indicates that in addition to the control measures in the Santiago international airport and any other airport receiving flights from Argentina, the alert has been extended to the border passes in the Andes mountain range, especially in the southern passes, where it is easier to cross in the winter.

The Libertadores custom house, the main binational roads between the Argentine northern region and Santiago, and the Chilean central region were closed today in the midst of a heavy snowstorm.

The Chilean Foreign Ministry reported that yesterday, immediately after the terrorist attack was perpetrated, Chile cooperated with the (temporary) closure of the border ordered by the Argentine Government.

The Investigative Police also reported they are alert to any anti-Israeli attack like the one perpetrated in Buenos Aires, warning of which was given three weeks ago by the Israeli intelligence services.

Haroldo Lopez, chief of the Intelligence Department, said the Israeli Embassy in Chile and its other facilities are under special protection.

Lopez recalled that after the previous anti-Israeli attack in Buenos Aires in 1992, which destroyed the Israeli Embassy, Chilean Investigative Police agents followed suspicious travelers who arrived in Chile from Argentina.

He added: "Unfortunately, the investigation failed and the individual left the country without the police being able to get any major information about him."

Colombia

Dynamite Blast Kills 4th Army Division Commander

PA1907201794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 19 Jul 94

[Report by Pilar Yasenia Medina; from the "National Newscast"]

[Text] The terrorist wave has reached the highest military hierarchy. This morning Major General Carlos Julio Gil Colorado, commander of the 4th Army Division, was killed in Meta.

A bomb exploded when the officer's vehicle was passing. The general died a few minutes later.

He was the victim of the terrorist attack. At 0645, approximately seven km from Villavicencio, near the installations of the 4th Army Division, between 30 and 50 kg of dynamite with shrapnel exploded under the Mercedes Benz in which the general, his driver, and subcommissioned officer were travelling.

According to reports from people near the site of the attack—reports that have not been confirmed—at the moment of the attack the general's car swerved to the right side of the road as the general's escorts fired on an area where they presumed rebels were located. The vehicle was moved from the site before any other authorities or the media arrived.

At this moment, the Armed Forces' top commanders, Generals Hernan Jose Guzman, Ramon Emilio Gil, and the commander of the 7th Brigade, are having a staff meeting to determine what actions must be taken to find the people responsible for this attack.

Gaviria Condemns Murder

PA1907202594 Paris AFP in Spanish 1921 GMT 19 Jul 94

[Text] Santa Fe de Bogota, 19 Jul (AFP)—The Colombian Government today rejected and condemned the murder in a guerrilla attack of General Carlos Gil Colorado, commander of the Army's 4th Division, headquartered in Villavicencio, eastern Colombia.

In a communique issued by the Presidency of the Republic, the government of President Cesar Gaviria—who will transfer power to his successor Ernesto Samper on 7 August—said that "this bloody attack took the life of a good Colombian, of an honest and dedicated military man who spent more than 37 years defending democracy, liberty, and his homeland."

Gen. Gil Colorado was killed by subversives from the Revolutionary Armed Forces of Colombia (FARC), who dynamited the highway along which he drives to his office in Villavicencio, 105 km east of Santa Fe de Bogota.

The high-ranking military officer was taken to a clinic in Villavicencio where he died during surgery.

The presidential communique said that "this despicable murder is a clear example of the brutality and criminal insanity used by guerrilla groups that attack human rights, life, and liberty."

In its communique, the government also noted that the murder of Gil Colorado is part of the "acts of desperation and cowardice of guerrillas who seek to hide their own weakness behind terrorism." It added that "subversion has been militarily subdued by the efficient action of the armed forces and is repudiated today by all Colombian society."

Finally, it recalled that guerrillas have rejected opportunities for peace offered by Colombia. "We have never agreed to talks as a result of intimidation by terrorism, only as a gesture of peace and goodwill."

Last Friday's attack in Orito, Putumayo (south), on the Ecuadoran border, where guerrillas killed 20 soldiers, and today's crime against Gil Colorado "expose to the nation the guerrillas' true nature. They lack political program; their purpose is to kill the hope for peace held by thousands of Colombian families," it added.

Public Security Measures To Be Announced

PA1907212294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 19 Jul 94

[Report by Juan Eduardo Jaramillo at the Narino Government Palace; from the "National Newscast"]

[Text] [Jaramillo] A few minutes ago, Government Minister Fabio Villegas read a terse communique on behalf of the national government condemning the killing of Major General Carlos Julio Gil Colorado, commander of the 4th Army Division, this morning in Meta Department.

President Cesar Gaviria has been holding meetings in his office since early this morning to find a prompt solution to these incidents.

In spite of the latest guerrilla actions in Orito, Putumayo; Casanare Department; and the death this morning of General Gil Colorado, the national government insists that guerrilla activities have dropped noticeably thanks to the work of the Armed Forces.

[Announcer] Juan Eduardo, the people wonder if the government has adopted or will adopt measures to face the subversive attacks.

[Jaramillo] The government is expected to issue a communique in the next few hours announcing special measures to maintain public order in this part of the country, Meta Department. We will watch for that. That is all the information we have right now.

Police Head Reports Local Guerrilla Activity

PA2007042394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0329 GMT 20 Jul 94

[From the "Caracol Radio Newscast"]

[Text] Police Director General Hernan Jose Rosso Serrano reported that armed elements harassed four towns—La Calera, Usme, Patios, and Pasca—on the outskirts of Santa Fe de Bogota tonight. Rosso Serrano added that so far they are still evaluating the results of the subversive incursion and believe the situation is practically under control as reinforcement units have been sent to the scenes of the clashes.

Attacks Reported Near Capital

PA2007044894 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0330 GMT 20 Jul 94

[From the "Caracol Radio Newscast"]

[Text] Attention, we are reporting from Altos del Patio, La Calera Municipality, north of Santa Fe de Bogota.

National Police units from the Cundinamarca Police Department and the National Army, particularly the 13th Brigade, are in control of La Calera, as well as Los Patios and the nearby mountains. Some 30 minutes ago, guerrillas deployed in the hills harassed units that were on the road.

We have also seen that night clubs in La Calera were evacuated. All of the people in these places were immediately evacuated and sent to Santa Fe de Bogota to protect their lives.

At this time, National Police officers trained in antiguerrilla activities are thoroughly searching the La Calera region looking for rebels who a few moments ago harassed soldiers from the hills.

National Police Brigadier General Humberto Pineda Perez is directing the operation on the road to La Calera. The situation in Los Patios is completely normal again. Members of the 13th Brigade from the Cundinamarca Police and the Metropolitan Police in Santa Fe de Bogota have been deployed to the area. Gen. Pineda Perez is currently in the downtown area of La Calera Municipality.

We can officially report the following incidents: In Los Libertadores neighborhood, south of Santa Fe de Bogota, a police patrol was attacked and an officer and the patrol car driver were wounded. In Altamira neighborhood, on the road to Villavicecio, a small bomb exploded in El Cami, but no one was injured.

Harassment also was reported in Usme, in the area of Cruz Verde, as well as in Pasca, south of Santa Fe de Bogota. There were some incidents here in Los Patios, but police and military personnel are now in control of the situation. Members of the National Police and Army

have been deployed in La Calera and along nearby roads to search for the individuals who have sowed panic in this area.

We have learned that the Artillery School south of Santa Fe de Bogota was also harassed by individuals who are now being pursued by the authorities. We should add that the Metropolitan Police and Traffic Police in Santa Fe de Bogota are directing traffic. They have asked us to warn citizens to refrain from going to La Calera, because some people have gone there out of curiosity to learn what has happened and, in turn, are obstructing the work being carried out by the authorities.

UC-ELN To Establish Talks With New Government

PA1507153394 Santa Fe de Bogota EL TIEMPO in Spanish 9 Jul 94 p A-8

[Text] Medellin—In an open letter to President-elect Ernesto Samper Pizano, the Camilist Union of the Army of National Liberation (UC-ELN) voiced its willingness yesterday to establish peace talks with the next government.

In the letter, datelined in the "mountains of Colombia" and signed by Manuel Perez Martinez, Nicolas Rodriguez Bautista, and Antonio Garcia, they told Samper they expect to see a break from the schemes of all previous negotiations.

The guerrillas added two years after President Cesar Gaviria's government abandoned the negotiation table and refused to resume talks as had been agreed, the Colombian people are still hoping for a political resolution to the social conflict the country is facing.

They stated although the outgoing government has tried to eliminate the insurgent movement with a comprehensive war strategy, 120 guerrilla fronts are still operating throughout Colombia.

"It is wrong to continue arguing that insurgency is the cause of violence (...) much good would be done to the country by admitting the origins of this conflict are social injustice, antidemocracy, corruption, unemployment, militarism, human rights violations, lack of sovereignty, regional neglect."

"Our group is willing to continue exploring the possibility of reaching a political resolution to the social conflict, and we hope your proposal, Dr. Samper, will break away from the hackneyed schemes of previous negotiations, that you will present creative solutions, that you will overcome the traditional rhetoric of peace, and that the country will learn, more concretely, about the new proposals of your upcoming administration," the letter concluded.

Details of Defense Ministry Budget Reported

PA1907161294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Jul 94

[From the "National Newscast"]

[Text] The Defense Ministry's budget amounts to more than 1 trillion pesos, 20 percent more than in 1993. This is largest budget of any state entity. It is higher than that of any other ministry. More than 200 billion pesos will be invested in the purchase and renewal of military equipment. Another 216 billion pesos will go to intelligence operations and the technological modernization of the Armed Forces. There is no specific information on how much money will be allocated to the various zones of conflict where the guerrillas operate.

Paraguay

'Sorrow and Solidarity' With Argentina Expressed

PY1907152794 Asuncion NOTICIAS in Spanish 19 Jul 94 pp 28, 29

[Excerpt] Through official spokesman Guillermo Yaluff, President Juan Carlos Wasmosy's administration on 18 july expressed its "sorrow and solidarity" to the government and people of Argentina and to the relatives of the victims of the explosive attack against the building of the Argentine Israeli Mutual Association [AMIA] in Buenos Aires.

From reports disseminated by the media, "the national government has learned of a criminal action, an explosion at the building of the AMIA in the city of Buenos Aires, which has had lamentable consequences with the loss of human life, and has generated the repudiation of the Argentine people," the communique reads.

The communique states that the national government "expresses its sorrow and solidarity with the people and government in Argentina and with the relatives of the victims of this lamentable incident, and it encourages the hope that such mournful incidents such as the one that occurred this morning (yesterday morning) will not be repeated in the future." [passage omitted]

Presence of Palestianian 'Terrorists' Reported

PY1907213094 Asuncion ABC COLOR in Spanish 19 Jul 94 p 5

[Text] During the first half of April, ABC COLOR warned about the presence of two Palestinian terrorists in our country. One of them, Imadal Mekdav [name as published], became one of the most eagerly sought men in this part of the continent. At that time, commissioner Enrique Dejesus Martinetti, the chief of the National Police Intelligence Department, told ABC COLOR: "This man and another Shiite arrived in Paraguay. One of them immediately returned to the East [as published], but the other one stayed."

Martinetti added that "the Israelis warned the Paraguayan and Argentine police that the Palestinians arrived in one of the two countries" with the objective of staging attacks.

"They are fanatic fundamentalists who want to expand their fight against the Israelis, which is known as the Intifadah, to other parts of the world. One of the methods is the attack against diplomatic missions," he noted.

The day after we published this report—Thursday, 14 April—our newspaper reported about Palestinian terrorist Ahmed al-Mekdav's [name as published] plans to poison a shipment of beef that was to be exported to Israel. He intended to cause massive poisoning in Jerusalem, Tel Aviv, and other Israeli cities.

The National Police Intelligence Department confirmed this report to our newspaper by revealing that the Israeli intelligence service had made the respective warning.

Intelligence personnel learned that two local meatpacking plants were exporting beef to Israel. The police recommended that the two enterprises increase their precautions.

In our 14 April issue, we reported on the measures adopted by the police.

According to Interior Minister Carlos Podesta, the Palestinians entered our country through Ciudad del Este. He said: "We have been informed that two Imbura [name as published] (one of the groups fighting for a free Palestine) activists had been here, and it is known for sure that one of them is still here...."

The minister admitted that it is not very easy to rapidly succeed in the search, especially because up until now the Palestinian might have been under the protection of the large foreign colony (presumably Arab and Lebanese) living in the border town of Ciudad del Este."

As for the danger posed by the Palestinian who is said to be in Paraguayan territory, Podesta said "he might be one of those who attacked the Israeli Embassy in Buenos Aires" on 17 March 1992, killing more than 10 people, wounding more than 100, and causing substantial damage.

Jewish Community Accorded 'Special' Security

PY1907144594 Asuncion ABC COLOR in Spanish 19 Jul 94 p 6

[Text] According to a promise made by President Juan Carlos Wasmosy to Enrique Segla, president of the Israeli Council of Paraguay, the Jewish institutions functioning in Paraguay will now have special security conditions. The promise was made during a visit Segla made to Government House on the afternoon of 19 July.

Segla indicated that in the name of the Jewish community he had expressed his concern to Wasmosy after the criminal attack against the Argentine Israeli Mutual Association (AMIA) Building in Buenos Aires, and that he had requested guarantees for the Jewish institutions that function in Paraguay.

He indicated that he had received the fullest support and guarantees that the government can grant. He added that while they were awaiting further information on the tragedy, all they could do was "unite with our Argentine brothers in their sorrow."

Regarding the possibility that an action similar to that which occurred in Buenos Aires could occur in our country, Segla indicated that they had no such information, but that in any case they are concerned.

Regarding the motives as to why the Jewish community in Argentina was targeted, Segla stated that it is probably due to the significant number of Jews and to the importance of the embassy in Argentina. In this respect, he added that the Jewish community in Paraguay is much smaller than the community in Argentina, and therefore the possibility of an attack is very remote. Segla also indicated that the ability to maintain controls here is much easier, and the Paraguayan Government gives the Jewish community unrestricted support.

Peru

Fujimori, PLO Official Condemn AMIA Attack

PY1907174394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1557 GMT 19 Jul 94

[Text] Lima, 19 Jul (AFP-NA)—Peruvian President Alberto Fujimori and Sabri Atieh, the PLO representative in Peru, have condemned the brutal terrorist attack that was perpetrated on 18 July against an Israeli building in Buenos Aires. This attack is believed to be more serious than the one on Tarata Street in Lima two years ago [where Shining Path, SL, perpetrated an attack with a car bomb].

In a letter addressed to Argentine President Carlos Menem, Fujimori expresses "the wholehearted sorrow of the Peruvian Government and its people" over the terrorist attack on the Argentine Israeli Mutual Association (AMIA) headquarters.

Moreover, the PLO representative in Lima has expressed his "categorical repudiation" and "consternation over the innocent victims" of the attack in Buenos Aires.

Speaking to the local press, Sabri Atieh said: "This is the work of extremists who have nothing to do with the PLO and who intend to boycott the peace negotiations undertaken by the PLO and the State of Israel."

Alluding to the SL attack that in 1992 destroyed several buildings and killed about 10 people in a Lima neighborhood, Eduardo Biggio Chrem, chairman of the Lima Jewish Community Human Relations Committee, said

that the attack on AMIA, "because of its magnitude, is worse than the one on Tarata."

In addition, the Peruvian Jewish Association issued today a communique repudiating the attack on AMIA, "which offends the conscience of society." In view of this the Jewish Association alerts world public opinion to "redouble the efforts to fight terrorism, which knows no borders and has no respect for the innocent."

Chief Justice Views Release of 'Terrorists'

PY1607033894 Lima EXPRESO in Spanish 4 Jul 94 pp A2, A3

["Exclusive" interview with Luis Serpa Segura, chief justice of the Supreme Court, by Jaime de Althaus; place and date not given]

[Excerpts] [Jaime de Althaus] Regarding the problem provoked by the release of terrorists, the judicial branch's communique indicates that the Repentance Law was adequately applied to the Arana case. It is not clear, however, what happened in the three other reported cases.

[Luis Serpa Segura] Faceless judges have tried them and acquitted them for lack of evidence. Other defendants have been convicted. Prosecutors have appealed those cases in which the defendants had been acquitted. Upon ruling on these appeals, the Penal Chamber of the Supreme Court has ordered new trials in some cases.

[Althaus] But the defendants were already released!

[Serpa] Of course. That is a guarantee provided under penal procedure laws: When a judge acquits a defendant, the latter will regain his freedom, even if the prosecutor appeals and requests that the ruling be annulled. If the acquittal is annulled, then a new trial will be ordered and the defendant will be recaptured.

[Althaus] Has the Office for Judicial Overview been able to determine if these three rulings ordering acquittals on the grounds of lack of evidence took into account the fact that the defendants are terrorists, or that there is strong evidence of their being terrorists?

[Serpa] The Office for Judicial Overview cannot investigate that. Those rulings have been appealed and, therefore, they are not yet final.

[Althaus] Of course, but the terrorists are free.

[Serpa] That is why the acquittals were appealed, for the higher court to decide whether the rulings should be annulled. It is the higher court that passes judgment on this. In the above three cases, the Supreme Court has annulled the acquittals.

[Althaus] Why do you think the faceless judges acquitted those terrorists?

[Serpa] It is rather difficult to determine that, because each judge acts in accordance with his conscience. Two judges often cannot agree on one issue. The idea that the evidence is weak or insufficent can thus prevail. We must not forget that the reasonable doubt principle should benefit the defendant. If a judge is not convinced that the defendant is guilty, he would then choose to acquit him.

[Althaus] Is conclusive evidence still required to convict someone facing terrorist charges, just as it would be for common crimes?

[Serpa] Yes. That has not changed. It is a universal principle.

[Althaus] But it would difficult to produce conclusive evidence. Shouldn't the courts be more flexible about this? Shouldn't it suffice to produce circumstantial evidence?

[Serpa] What if you convict an innocent person?

[Althaus] But that is already happening. Innocent individuals are being convicted.

[Serpa] That is why the principle to be observed is that it is better to acquit than to convict an innocent person. There are other major factors at play, such as the threats issued against judges. Unfortunately, it has not been possible to protect the confidentiality of the faceless judges. Their names are leaked and they are thus identified. They have received calls and threats against themselves and their families. Yet, they keep working. It is very painful for them because, in addition, they have to bear with the social pressure of not having to acquit criminal suspects.

[Althaus] If the faceless judges continue to have faces, wouldn't it better to go back to the old system of more specialized, identified judges who, enjoying adequate protection, are better prepared to hand down sound rulings?

[Serpa] That could be done, but we must reconcile it with legal security. The head of the Office for Judicial Overview will propose to the Executive Council that the system of faceless judges be discontinued. We are going to discuss it. The law may be improved in every respect. [passage omitted]

[Althaus] Let us go back to the issue of corruption.

[Serpa] Look, the problem is that we have had 620 provisional magistrates for nearly three years. Out of 700 provisional judges, only 57 of them have been appointed by the Lima Superior Court and 14 by the Supreme Court. There are judicial districts such as Loreto and Pucallpa, where not even the presiding judge is an appointed one. A provisional judge does not decide a case out of fear. Or he may decide it if he is going to obtain some profit from it. To administer justice effectively, a judge should not have any worries or problems. He must not be afraid of anyone. He must not think that if he rules in favor of A he would be endangering his position.

[Althaus] Apart from this problem, the Office for Judicial Overview has given the impression that it is not punishing or improving anyone as it should in order to moralize the bench; that is, it is not intimidating anyone. Do you agree?

[Serpa] It is a complex thing. Every day I hear complaints from litigants from all over the country. There are widespread complaints against both appointed and provisional judges. It has been charged that there is widespread corruption. It is a very serious problem, but to resolve it, all parties concerned must shoulder their share of responsibility, especially lawyers. If a judge is committing an act of corruption, it is because someone is bribing him. Litigants usually make offers to judges. A moralization campaign should start in law schools because this has already become a problem of mentality. [passage omitted]

Venezuela

Ministry Considers Expelling Iranian Diplomats

PA2007013994 Caracas Union Radio Network in Spanish 2200 GMT 19 Jul 94

[Report by Vicente Briceno from Miraflores Palace in Caracas; from the "Union Radio News" newscast]

[Text] Foreign Minister Miguel Angel Burelli Rivas has stated that the Venezuelan Government will take all steps necessary to stop any actions by pro-Iranian terrorist organizations in the country. He also announced that more Arab [as heard] diplomats could soon be expelled from the country.

Minister Burelli Rivas expressed Venezuelan authorities' discontent over the communique issued by the Iranian diplomatic mission in Caracas, and he said the terms used in the text of the communique were unfriendly and that his office was studying the possible expulsion of more diplomats from that embassy.

As is widely known, the national government ordered the expulsion of four Iranian diplomats, who will leave the country on Wednesday, after they were accused of kidnapping and physically abusing former Iranian Deputy Culture Minister (Manuchehr Moahtamir). The former Iranian official, who fled Iran because he considers himself to be persecuted by the regime of Ali Akbar Hashemi-Rafsanjani, arrived in Venezuela recently, and this is when the event that has angered Venezuelan authorities occurred.

The Venezuelan foreign minister denied the incident could lead to the breaking of diplomatic relations or that it will negatively affect ties between the two OPEC member-states.

[Begin Burelli recording] It is a independent act that does not necessarily implicate the Iranian Government and, therefore, should not negatively affect our relations. This happens, I repeat, with relative frequency, when subordinate officials conduct themselves in a manner that goes against the domestic laws of a country—in this case, a clash with Venezuelan police forces. When such incidents occur, the state, in full use of its sovereignty, can expel the diplomats it considers to be involved in the incident. [end recording]

On another topic, Minister Burelli commented on the terrorist action against the Israeli Association building in Buenos Aires, Argentina, decrying the attack as atrocious. The action killed more than 20 people and left more than 150 injured. The minister also stated that the president will confirm within the next few hours his plans to attend a meeting in Cartagena next Sunday. On that date, Venezuela celebrates Liberator Simon Bolivar's birthday and Army Day, and the minister said the president would attend those events.

Spokesman Says Relations With Iran Unharmed

PA1907195694 Caracas EL UNIVERSAL in Spanish 16 Jul 94 p 1-16

[Text] A Venezuelan Foreign Ministry spokesman reported yesterday that the incident which occurred several days ago at the Simon Bolivar International Airport when four Iranian Embassy officials attempted to kidnap a person wanted by that Asian nation would not harm relations between the two nations, nor is it a serious matter.

As EL UNIVERSAL learned exclusively, a group of diplomats from the Iranian Embassy in Venezuela attempted to kidnap some visitors who had arrived at Maiquetia. They were wanted by the Iranian Government.

Thanks to intervention by the Foreign Relations Ministry; the UN's office for refugees, UNHCR [UN High Commissioner for Refugees]; and DISIP [Directorate of Intelligence and Preventive Services], the kidnapping was unsuccessful, and the guilty officials were expatriated.

The official spokesman confirmed the report published yesterday by this newspaper to the effect that Iran and Venezuela have a historical tradition of good relations on all issues. Therefore the relations linking these nations will not be broken.

He also said that this involved a refugee and his family being hunted down by the Iranian Government. Upon their arrival in Venezuela, Embassy officials tried to kidnap them "using firearms."

The spokesman added: Venezuela can help any person who is considered an outlaw in another country. But it is not acceptable that, in an arbitrary fashion and without the participation of our police, that this kind of action be attempted within the national territory.

Likewise, he gave assurances that the Iranian Government decided to expatriate the four diplomatic officials involved in this action.

The spokesman said: "Venezuela has no hard feelings toward the Iranian Government; this was a regrettable incident."

In the Foreign Ministry's judgment, this incident is not related to the Iranian Government's objection to Venezuelan Alirio Parra's candidacy for secretary general of the Organization of Petroleum Exporting Countries, OPEC, "because that proposal was made more than six months ago."

Iranian Embassy Version

When consulted on the matter, Eslamian Safar 'Ali [name as published], charge d'affaires at the Iranian Embassy, categorically denied that diplomats from that mission had participated in that kind of action.

Safar 'Ali said that personnel in the embassy "are totally surprised by the newspaper report, because it does not fit in with the truth."

He said he would ask the Venezuelan Foreign Ministry to investigate to get to the bottom of the incident.

In addition, the embassy sent a contradictory press communique via fax which stated:

Press Communique
Caracas, 15 July 1994
No. 700-402

The Embassy of the Islamic Republic of Iran in Caracas categorically denies the information published in EL UNIVERSAL newspaper, specifically the report on the entrance into the country of some Iranian refugees sent by the Government of the Islamic Republic of Iran and the intervention of Iranian diplomats in this prefabricated incident.

This diplomatic mission is ready to discuss with any pertinent organization or relevant authority any information surrounding this diplomatic mission's intervention in that accident. It will demonstrate that the embassy of the Islamic Republic of Iran in Caracas did not until now have knowledge of this affair, which, we repeat, has been totally distorted.

[Signed] Embassy of the Islamic Republic of Iran

Iranian Envoy Rejects Ministry Communique

PA2007034594 Caracas EL UNIVERSAL in Spanish 19 Jul 94 p 1-12

[Report by Antonio Fernandez Nays]

[Text] According to Reza Zargarbashi, Iran's ambassador to Venezuela, media reports on the incident that occurred in Maiquetia a few days ago involving several members of his diplomatic mission are part of a "sedition and political agitation" campaign headed by groups that wish to destroy the good relations between the two countries.

EL UNIVERSAL published an exclusive report last Friday stating that a group of Iranian diplomats tried to kidnap several Iranians persecuted by that government as they were arriving at Maiquetia airport. The diplomats were unable to carry out their plan thanks to the intervention of the MRE [Foreign Ministry], the UNHCR [UN High Commissioner for Refugees], and DISIP [Directorate of Intelligence and Prevention Services]. The Iranian officials involved in this incident were returned to their country. Reza Zargarbashi held a news conference to reject the charges against the four diplomats—which the MRE confirmed on Friday—stating that the report is false and "a total lie."

When asked if any kind of reprisal against the Venezuelan Embassy in Iran is being considered, he stated that it "will depend on the decision made by the Iranian Government, and so far there is no information on the matter."

Foreign Minister Miguel Angel Burelli Rivas and MRE General Director Roy Chaderton Matos met with the Iranian ambassador on 14 July and demanded an explanation for the incidents involving the Iranian officials.

The meeting is mentioned in the official communique the MRE issued last Friday. In Ambassador Reza's opinion, it does not correspond to the truth because he provided the explanation that was demanded, and Foreign Minister Burelli Rivas requested the departure of the officials based on a decision by the Venezuelan Government.

"During the meeting, Foreign Minister Burelli Rivas did not mention any matter involving four diplomats of the embassy under my charge, and that is why I am rejecting paragraph four of said official communique that states the contrary," the ambassador added.

He also said that in line with humanitarian principles, the diplomatic mission studies how to help its citizens, and in that respect it provided financial assistance to the Iranian family involved in the incident, renting a room for them at the Eurobuilding Hotel with all expenses paid by the embassy. The document also states that the embassy has a letter from this family requesting financial aid. "That is why we regard the accusations and other problems surrounding the incident as groundless and describe them as sedition, political agitation, and total distortions."

According to the embassy, Mohammad Hoseyn Hashemi Fard, one of the four officials mentioned by the MRE, was in Puerto La Cruz from 6 to 10 July as a tourist. On 9 July, "contrary to the MRE report, this citizen was at the Caribbean Inn Hotel. The hotel bills prove our assertion."

Another official allegedly involved, Mohammad Hoseyn Fekri, "has been under medical care and confined to total bed rest for the past two months," according to the communique released by the embassy.

Ambassador Reza Zargarbashi said the Iranian Government contacted him by telephone "for some necessary consultations" and asked him to conduct some business directly with the government. "For that reason, I will leave the country very soon."

[Fernandez Nays] The MRE reports that those four Iranian Embassy officials participated in the kidnapping attempt.

[Reza Zargarbashi] We have flatly denied that those four diplomats were involved. The report which states that they are involved is wrong and untrue, and I will reject it.

[Fernandez Nays] Your version contradicts that of the Foreign Ministry.

[Reza Zargarbashi] It is the Venezuelan Government's responsibility to clarify the matter. The family was lodged in the best hotel in town. You people can check this at the Eurobuilding Hotel.

[Fernandez Nays] If nothing is wrong, why is this family in the Venezuelan Government's custody?

[Reza Zargarbashi] Before becoming a refugee, he stayed at the Eurobuilding Hotel and then requested asylum.

[Fernandez Nays] Pardon me, but reportedly he was a UN political refugee from Turkey.

[Reza Zargarbashi] He asked for asylum. He is no political refugee. The Iranian visitor was broke, and we gave him financial assistance.

[Fernandez Nays] Considering that you say this is sedition, what do you think about the Iranian press reports describing Venezuela as a poor man's country?

[Reza Zargarbashi] We have received no reports from our newspapers, nor have we heard that Venezuela is a poor man's country.

[Fernandez Nays] The media carried the report today (yesterday).

[Reza Zargbarbashi] If you find those papers, please get a copy for us. Like Venezuela, we have freedom of the press in our country. The newspapers can say whatever they wish.

According to Ambassador Reza Zargarbashi, the Iranian family came to the country to extend their passports. He says the family consists of a man, his wife, and four children, who "only had $3 in their pockets. That is why they asked us for financial assistance."

The ambassador added: They will return to Iran. That is why they have to stay here a few days. Theirs is an honorable family in my country. They are waiting for their baggage. They have a visa to stay in Venezuela for 10 days. Their passports allow them to go to Italy and then return to Iran.

Reza Zargarbashi said the four diplomats expelled by the Venezuelan Government are still in Venezuela but that they will leave "before 20 July, heeding the Foreign Ministry's request." He said he knows nothing of the origin of the "unjust sedition." He said: If the number of Iranian Embassy personnel in Venezuela must be reduced, then the number of Venezuelan Embassy personnel in Iran must also be reduced. We delivered our official protest after talking with Deputy Foreign Minister Roy Chaderton.

Finally, the ambassador said that Iran proposed its own candidate for the position of OPEC secretary general after consulting with Venezuelan authorities.

Government Recalls Envoys to Caribbean

PA1907170294 Caracas EL NACIONAL in Spanish 16 Jul 94 p A-2

[Text] Venezuela has recalled to Caracas 11 ambassadors to 13 Caribbean nations in protest over a letter written by their leaders in support of jailed former President Carlos Andres Perez. This is according to statements by officials.

President Rafael Caldera is also considering not attending the ceremony for the signing of a treaty that will create the Association of Caribbean States, a group that will unite that region's countries and territories. The signing of the agreement is scheduled for 24 July in Cartagena, Colombia.

AP reported that Foreign Ministry officials have said the ambassadors will meet with Caldera in Caracas over the weekend to study the matter.

During a summit this month in Barbados, leaders of the 13 Caribbean nations wrote a letter to Perez in which they expressed their moral support, in light of his legal problems, and their gratitude for his efforts to promote ties between Venezuela and the Caribbean. The message also expressed hope that the Venezuelan justice system would handle the Perez case with impartiality.

This week Venezuelan Foreign Minister Miguel Burelli Rivas criticized the Caribbean leaders for questioning the Venezuelan justice system and for meddling in the nation's internal affairs.

Dominica Prime Minister Eugenia Charles said she was "horrified" by the Venezuelan reaction. Charles said that the Central American leaders had addressed a similar letter to Perez and that Venezuela had not responded to that message.

Minister Denies Drug Operations in Colombia

PA1907155994 Caracas Union Radio Network in Spanish 2200 GMT 15 Jul 94

[Report by Vicente Briceno from Miraflores Palace; from the "Union Radio News" newscast]

[Text] Colombian stations are promoting conflict between the Venezuelan and Colombian Armed Forces by broadcasting reports on the alleged violation of the neighboring country's territory by military troops participating in counternarcotics operations.

[Briceno] Defense Minister General Rafael Montero Revette has said that all such actions were carried out on Venezuelan soil. But he did admit that the Colombian Armed Forces are supporting them from their side of the border in locating people involved in these illegal activities there.

Montero added that documents, receipts in the name of people who apparently live in Machiques, as well as pamphlets by Colombian guerrillas from the National Liberation Front [Frente de Liberacion Nacional], Revolutionary Armed Forces of Colombia, and the Army of National Liberation, were found on site. Revolvers and flares were also found. A heliport and an irrigation system, which was destroyed, were discovered too.

Montero reported that about 330 hectares of marijuana and poppy crops and cocaine-processing laboratories were discovered. No arrests have yet been made, he added.

[Begin Montero recording] General summary: we have so far destroyed 14 makeshift laboratories, 90 poppy parcels, 30 cocaine parcels, and 40 marijuana parcels. That is what we discovered. Of the drugs, we have already destroyed or are in the process of destroying 43 poppy parcels, 13 cocaine cocaine parcels, and 21 marijuana parcels. We also started to spray these crops.

We also destroyed, we burned 97.5 kg of poppy seeds, 126 bales of cocaine, and 100 bales of marijuana. We destroyed 163 ranches, most of which served as warehouses or as houses for people living on the site. We also destroyed a cave that served as a drug warehouse. [end recording]

[Briceno] The defense minister speculated that people linked to these drug plantations are offering information to Colombian media in an attempt to create conflict between the two nations.

Former President Cleared of Embezzlement

PA1807043994 Caracas Union Radio Network in Spanish 0200 GMT 17 Jul 94

[From the "Union Radio News" newscast]

[Text] Former President Jaime Lusinchi has been acquitted of charges in the jeep scandal. The acquittal came after the Superior Court for the Protection of Public Property overturned, by a majority decision, an earlier decision that had ordered Lusinchi's arrest on embezzlement charges.

Court President Vicente Villavicencio reported that members of the court decided to overturn the opinion of Magistrate Rafael Quintero Moreno on procedural grounds and merits of the ruling. He added that the members of the court are considering the appointment of a new judge to prepare the opinion of the court. [sentence as heard]

Villavicencio noted that, while conducting an investigation into this case, the court ruled it was appropriate not to disclose the reasons that prompted the court to adopt this decision.

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